

# DAILY REPORT

*China*

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EEC PRESIDENT TO VISIT PRC 1-6 NOVEMBER

OW190755 Beijing XINHUA in English 0742 GMT 19 Oct 83

[Text] Beijing, October 19 (XINHUA) -- Gaston Thorn, president of the commissions of the EEC, and Mrs. Thorn will pay an official visit to China from November 1 to 6 at the invitation of the Chinese Government. This was announced by Qi Huaiyuan, director of the Information Department of the Chinese Foreign Ministry at his weekly news briefing here this afternoon. Thorn is expected to exchange views with Chinese leaders on international issues and on the further development of relations between China and the EEC.

UN DELEGATE URGES U.S., USSR TO ACT ON DISARMAMENT

OW190155 Beijing XINHUA in English 0128 GMT 19 Oct 83

[Text] United Nations, October 18 (XINHUA) -- The two superpowers, which possess over 95 percent of the nuclear weapons in the world, should take action first in nuclear disarmament, said Chinese Representative Qian Jiadong here today. He made the statement during the debate at the first committee of the United Nations General Assembly.

Qian said that the world situation over the past year continued to be beset with tensions and turmoils, as a result of the intense rivalry between the two superpowers. "The arms race has become an important component in the superpowers' endeavor to realize their strategic targets," he pointed out. He said, "The superpowers' arms race has not only posed a direct threat to the peace and security of all states, but also increased the danger of the outbreak of a new world war. This cannot but arouse grave concern of the people throughout the world."

"However," he noted, "contrary to the wishes of the peoples of the world, the superpowers have shown no sincerity for disarmament, verbally professing for disarmament only for the purpose of covering up their frenzied arms race. No progress at all has been made in the field of disarmament despite innumerable rounds of bilateral and multilateral disarmament negotiations and countless meetings and conferences devoted to disarmament." He indicated that disarmament proposals put forward by the two superpowers "are all designed to weaken the other and maintain its own supremacy."

Spelling out China's position on disarmament, he said, "China has consistently pursued a policy of safeguarding world peace and opposing hegemonism. China favors disarmament. We are for genuine disarmament and against sham disarmament. We oppose arms expansion under the camouflage of disarmament. In order to promote disarmament, China put forward at the second special session of the General Assembly devoted to disarmament a proposal for disarmament, outlining its objectives, measures, verification and negotiation."

Qian listed the basic principles underlining this proposal as follows:

- First, disarmament cannot be separated from the struggle to safeguard international security and oppose hegemonism;
- Secondly, the two superpowers should take the lead in disarmament;
- Thirdly, nuclear disarmament should go hand in hand with conventional disarmament;



-- Fourthly, small and medium-sized states are entitled to maintain their necessary forces for national defense. The disarmament process should in no way jeopardize the independence, sovereignty and security of any state;

-- Fifthly, disarmament agreements should include strict and effective measures for international verification; and

-- Sixthly, all states should participate on an equal footing in the deliberation, negotiation and supervision of the implementation of disarmament agreements.

He went on, "In order to promote further nuclear disarmament, Chinese Foreign Minister Wu Xueqian proposed shortly ago before the General Assembly that after the Soviet Union and the United States have taken practical action to stop testing, improving and manufacturing nuclear weapons and agreed on reducing by half their nuclear weapons and means of delivery of all types, a widely-representative international conference should be convened with the participation of all nuclear-weapon states to negotiate the general reduction of nuclear weapons by all nuclear-weapon states."

Stressing that nuclear disarmament should start with the two superpowers, he stated that only a substantial reduction of nuclear weapons on their part can render nuclear disarmament any real significance. "Other nuclear states should, of course, also undertake their responsibility toward nuclear disarmament," he said.

"On the very day when China first successfully conducted her nuclear test," Qian continued, "she undertook not to be the first to use nuclear weapons and not to use them against non-nuclear weapon states and nuclear-weapon-free zones. China has developed a limited nuclear force for self-defence and for breaking the superpowers' nuclear monopoly and promoting nuclear disarmament."

On the proposals for a "nuclear freeze," he said, "We maintain that it is only understandable for some non-aligned and neutral states to have proposed for a 'nuclear freeze' in order to make the superpowers stop their nuclear arms race. However the fact that a nuclear power with a gigantic nuclear arsenal which is intensifying its efforts in every possible way to seek nuclear supremacy has also put forward a similar proposal cannot but make people ponder over its real motives. 'Freezing' alone, if not accompanied by concrete measures for reducing and destroying nuclear weapons, could only in effect legitimize and perpetuate the nuclear arsenals of the superpowers, which will enable them to maintain their nuclear hegemony and pose a menace to the people of various countries."

Turning to the superpowers' intermediate-range nuclear missiles in Europe and Asia, the Chinese representative said, "We hold that all the nuclear weapons reduced, no matter from where, should not be moved to other regions, but should be destroyed; the reduction of nuclear weapons should not be confined to the European region either. The Soviet Union should reduce by a wide margin the large amount of intermediate-range nuclear missiles already deployed in Asia and the Far East, so that the grave threat to which the countries in this region are exposed may be lessened."

DEPUTY UN DELEGATE URGES NORTH-SOUTH DIALOGUE

OW180936 Beijing XINHUA in English 0720 GMT 18 Oct 83

[Text] United Nations, October 17 (XINHUA) -- The developed countries have been urged here to join the developing countries in the efforts to launch a new round of global negotiations for the purpose of restructuring international economic orders and improving North-South relations. This appeal was made during the debate of the Second Committee (economic and financial) of the U.N. General Assembly.

In his statement at the debate, Mi Guojun, deputy permanent representative of China, said that China stands for North-South dialogue, but the dialogue should serve "the purpose of restructuring international economic relations and improving North-South relations." He declared that China supports the three-pronged approach put forward by the Group of 77 of launching an immediate action program, an international conference on money and finance for development and global negotiations. What is crucial at the moment, he stressed, "is that the developed countries must emerge from their year-long silence and return to the negotiating table here in New York with a correspondingly flexible and constructive attitude."

Mi Guojun also called for a reform of the international monetary system in order to assist development. The international conference on money and finance should be part of the global negotiations once they are launched, he noted. He observed that the program of immediate measures should aim at abolishing protectionist policies, stabilizing the prices of raw materials and primary products and increasing the flow of products from developing to developed countries.

Porfirio Munoz Ledo of Mexico, chairman of the Group of 77 developing countries, said after prolonged and unjustifiable delays it is imperative at this session of the General Assembly to launch the global negotiations. "Collective action must be mobilized in order to meet and master the current international economic crisis," he stressed. On behalf of the Group of 77, he reiterated the intention of the developing countries to conduct intensive negotiations and preparations for the convening of an international monetary conference.

Many other speakers from the developing countries expressed support for the proposal of the Group of 77 for the launching of global negotiations during this session, the implementation of immediate measures for economic cooperation through different forums of the United Nations and the convening of an international conference on money and finance.

DELEGATION DEPARTS FOR PARIS UNESCO CONFERENCE

OW181836 Beijing XINHUA in English 1602 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- A Chinese Government delegation led by Gao Yi, chairman of the Chinese National Commission for UNESCO, left Beijing for Paris this evening to attend the 22nd session of the UNESCO General Conference. The session which will be held between October 25 and November 29 will be attended by delegations from 160 UNESCO member-countries as well as observers from 100 international and inter-governmental organizations. The delegates will exchange views and make proposals on the international situation and UNESCO tasks, and report on development of education, science, culture, communication and sports in their own countries. UNESCO's 1984-85 program budget will also be discussed.

The Chinese delegation has five delegates, five alternates and 13 advisers, who are officials from departments of education, science, culture, journalism and sports and the Chinese UNESCO National Commission.

#### Delegation Leader Interviewed

HK190246 Beijing CHINA DAILY in English 19 Oct 83 p 1

[Report by staff reporter]

[Text] China is to seek broader links with the multi-faceted United Nations body UNESCO, said Gao Yi, chairman of the Chinese National UNESCO Commission. "Close ties between China and UNESCO not only benefit our country's modernization programme but also give us an opportunity to contribute to UNESCO's work, particularly the major scientific intergovernmental programmes, Gao told CHINA DAILY.

Gao was speaking shortly before leaving for Paris where he will lead the Chinese delegation to the 22nd Session of the UNESCO General Conference, which opens on October 25.

China collaborated with UNESCO on 204 projects in 1982, an increase of 47 percent than the previous year. Of these, 67 were in education, 66 in natural science and 33 in culture.

This year China participated in several hundred professional meetings and research courses held under the auspices of UNESCO, Gao said. Many were held in China including seminars devoted to archaeology, seaweed, and socioeconomic development, the Second International Symposium on River Sedimentation and the International Conference on Chinese Information Processing.

#### Successful Visit

Gao highly praised the successful visit to China in August this year by Amadou-Mahtar M'bow, director-general of UNESCO. "The aide-memoire issued during his visit provided brighter prospects for further co-operation between China and UNESCO," he said.

In education, the co-operation will focus on adult education, eradication of illiteracy, technical and vocational education, higher education planning and forecasting. "China has 200 million illiterates," Gao said. "Experience in reducing illiteracy in some Third World countries can be very helpful to China."

In natural science, Gao said, China expects to co-operate with UNESCO in the study of science and technology, water science, geology and seismology, and science and technology management. Development strategy, industrial economics, administration, and enterprise management will be the main areas China is interested in its collaboration with UNESCO, Gao said.

On the coming 22nd session of UNESCO General Conference, Gao said the Chinese delegation will make its full contribution to the success of the conference through sincere and cordial co-operation with all member-countries, particularly with the Third World countries. The Chinese delegation will fully support the UNESCO plan for world development, especially in the Third World countries, Gao said. In the long-term, the developed countries will also benefit from the help they give to developing countries, Gao said.

The Chinese delegation will leave for Paris today [18 October].



'POSITIVE' RESULTS SEEN IN SINO-FOREIGN ENTERPRISES

HK180934 Shanghai SHIJIE JINGJI DAOBAO in Chinese 26 Sep 83 p 2

[Article by Lu Yongkuan: "Make Good Preparations for Opening Up a New Situation in Jointly-Run Sino-Overseas Enterprises"]

[Text] After several years of probing and examination, China has amassed quite a few experiences relating to the running of joint Sino-overseas enterprises. In doing so, we have made definite progress and seen some positive results. Today relevant departments and regions in China are organizing 83 jointly-run Sino-overseas enterprises using joint funding from 11 countries and regions, and this cooperation has already produced more than \$100 million. Judging from the situation relating to enterprises where production is already in operation of where management has already begun, economic results appear to be univerrally good, thus playing an important role in making China prosper.

Running Joint Sino-Overseas Enterprises Is One Desirable Way of Making Use of Foreign Investments

Practice has proved that jointly-run Sino-overseas enterprises are a very effective way of speeding up China's socialist modernization.

First, it is able to fill the gaps in China's own construction funds, but cannot develop into a national debt. Judging by the investment content of those jointly-run enterprises already in operation, the investment on the Chinese side mainly involves existing buildings and factories, old or existing equipment, and site utilization costs. Investments on the side of the overseas partners mainly consist of industrial production rights, specialized technology, advanced equipment and some cash. Thus, jointly-run Sino-overseas enterprises attract advanced technology and equipment and do not require the support of China's foreign currency reserves, which partially solves the problem of China's lack of construction funds. At the same time, investments from overseas businesses are the not the same thing as loans from foreign governments or from the International Monetary Fund; consequently China is not required to repay loans plus interest and no national debts are created.

Second, the import of advanced and suitable technology and equipment has filled some gaps in China's domestic technological situation and has speeded up technological transformations and product improvements in some older factories. The technological standards and product quality of jointly-run Sino-overseas enterprises now in operation are universally higher than similar kinds of purely domestic enterprises. In some cases, the jointly-run enterprises have even leaped into the ranks of internationally advanced technology. Take for example the joint Sino-Japanese Hitachi Television Co. Ltd in Fujian, where untroubled work time on the production of color televisions has reached between 25,000 to 27,000 consecutive hours, while in China, regulations stipulate that the period of untroubled work time must be no less than 15,000 hours. In another example, a factory which is now under construction in Hubei for a Sino-U.S. jointly-run enterprise will produce Parker seals, and already, advanced seal production technology imported from the U.S. Parker-Hannifin Corp. has managed to solve the old problem of seals produced in China leaking gas, water, and oil. The vast majority of these jointly-run enterprises have developed as a result of technological transformations carried out on old enterprises. Today, there are nearly 400,000 large, medium, and small-scale enterprises in China and in many of them production conditions are very good. If they could import some advanced technology or key equipment, they would be able to expand their production capacity very quickly and also improve product quality.

Third, the importation of overseas experience as well as improvements to enterprise management and administration have improved the economic results of the enterprises.

In addition to advanced technology and equipment, improved economic results in an enterprise also require the establishment of a set of advanced and scientific management methods and this represents a key factor for enterprises. Take for example the Beijing administration office of China Aviation which was involved with some Hong Kong businessmen in the joint running of the China Aviation Catering Company Ltd. By using management methods practiced in Hong Kong, the company was able to establish a new set of management regulations and, since operations began, the number of overseas flights which order catering services has increased from 2 before joint management began, to 13 today. Catering distribution and business figures have increased steadily and in 1982, business had increased ninefold over 1979.

Fourth, joint management has helped make use of overseas sales channels as well as developing an overseas market for China and expanding exports and revenue. Ninety percent of the "Dynasty" wine produced in Tianjin by the Sino-French Wine Fermentation Company is exported and has now become a viable product on international markets with demand exceeding supply. The duck farms, pigeon farms, and modernized pig raising and composite fodder processing factories and food factories jointly run by some Hong Kong businessmen and the Guangming arable and livestock farm in Baoan County, Guangdong Province have resulted in expanded exports to Hong Kong and after 22 years of successive losses the enterprise produced profits within one year of operation.

Fifth, jointly-run enterprises have helped train technological personnel and enterprise management cadres. Running a jointly-run Sino-overseas enterprise is like running an economic and technological training class. Throughout the entire process, from the first discussions with the overseas partner to the signing of a contract, the stipulating of regulations and rules and the eventual commencement of joint business, the personnel on the Chinese side have found themselves stretched and tested to their limits, while their vision has been broadened and their talents increased as they have gained valuable experience.

At the same time, the running of these joint Sino-overseas enterprises has helped increase labor employment and improve the living standards of the masses.

Naturally, because these jointly-run Sino-overseas enterprises represent a very new item of work in China, we do not have vast experience -- for example we lack planning guidance in the selection of projects. In the case of some projects, market predictions and investigations are insufficient and this can lead to problems in running the enterprises. In some instances the contract clauses for joint management have not been clearly laid out and this sometimes leads to financial losses. We must constantly assess these problems but we must continue to carry out these projects while preserving the name and credibility of our country and "emphasizing contracts and respecting credit."

#### The Key Points in Jointly-Run Sino-Overseas Enterprises

In the long term, such joint enterprises should focus on productive projects and all efforts should be made to ensure that as much advanced and suitable technology and management know-how is imported as possible, and we should ensure that these advantages of jointly-run enterprises are exploited to their limits. In order to ensure all of this, consideration and emphasis should be placed on the following few areas when setting up jointly-run Sino-overseas enterprises: 1) Industries involving the development of coal and building materials as well as the petrochemicals industry, the non-ferrous metals processing industry, and the iron and steel industry; 2) The machinery production industry, including the car industry, production of equipment for offshore oil exploration, and exploitation and precision measuring equipment; 3) the electronics industry, computer technology, and the construction of communications equipment; 4) light industry, the textile industry, the food industry, and the pharmaceutical industry; 5) agriculture, animal husbandry, and plant breeding; and 6) tourism and the service industries.



At the same time, we must also concentrate on the enterprises' economic results. Of course, in the process of running such joint enterprises and importing technology, a certain amount of necessary repetitive importation is permissible. We must remember to come to grips with performing market investigations and predictions, thus establishing the necessary conditions for a great many joint enterprises. However, we must be fully aware that many problems and difficulties exist on the road ahead. In conclusion, we should establish conditions and organize preparations in all necessary areas and work hard to open up a new situation in jointly-run Sino-overseas enterprises.

#### LI PENG MEETS ITU OFFICIAL, DISCUSS SATELLITES

OW170911 Beijing XINHUA in English 0740 GMT 17 Oct 83

[Text] Beijing, October 17 (XINHUA) -- Vice-Premier Li Peng met here today with Jean Jipguep, deputy secretary-general of the International Telecommunications Union [ITU]. They discussed cooperation between China and the I.T.U. in international communications satellites.

#### TIANJIN INTERNATIONAL TRADE CONFERENCE CLOSES

OW152050 Beijing XINHUA in English 1908 GMT 15 Oct 83

[Text] Tianjin, October 15 (XINHUA) -- Tianjin hopes to cooperate with Hong Kong, Macao and foreign countries in producing soda ash, caustic soda, polyvinyl chloride, insecticide and titanium white, using salt produced locally. A senior Tianjin trade official said today that the port city wants to end its dependence on other parts of China for supplies of these products produced with salt although it is the country's biggest salt producer.

Fan Yongzhong, chairman of the Tianjin branch of the China Council for the Promotion of International Trade, said this at Tianjin international trade and investment meeting which ended today.

Tianjin, a leading industrial and port city of north China, also needs help in expanding its oil processing and petro-chemical industries, Fan Yongzhong said. He called attention to the city's own Dagang oilfield and an oilfield being developed on the Bohai Sea. International cooperation is also needed in the development of the city's coal mining and geothermal resources, he said.

The city plans to set up a joint company to reclaim land from the Bohai Sea, which is only one or two meters deep along some sections of its coastline of 120 kilometers. Representatives of more than 20 Hong Kong, Macao and foreign companies discussed interested projects of cooperation and trade with their Tianjin counterparts at the meeting, which opened on October 10. The meeting was sponsored by the Tianjin branch of the China Council for the Promotion of International Trade and the AGS Management Consultants Pte Ltd. of Singapore.

JI PENGFEI MEETS COUNCIL ON FOREIGN RELATIONS HEAD

OW181329 Beijing XINHUA in English 1314 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- State Councillor Ji Pengfei said here today that Sino-U.S. relations have turned for the better. But to further expand bilateral relations, the most important thing, apart from removing the obstacle arising from the Taiwan issue, is to develop mutual trust and work jointly for Sino-U.S. friendship and world peace. He made these remarks at a meeting with Winston Lord, president of the Council on Foreign Relations of the United States, and Mrs. Lord here this afternoon. Winston Lord said he agreed with Ji Pengfei. He added that the two countries should not only cooperate in the economic field but should also seek common ground in the political and other spheres.

Ji Pengfei briefed Lord on the changes that had taken place in China since the Third Plenary Session of the 11th party Central Committee held in 1978. Lord said he had taken note of the great changes as compared with what he saw on his previous trip six years ago. The people's living standards were improved. Though there were many problems yet to be solved in China, he said, the Chinese leaders he had met were full of confidence in the future of the country and in solving existing problems.

Chai Zemin, vice-president of the Chinese People's Institute of Foreign Affairs and former Chinese ambassador to the United States, was present on the occasion.

This morning Wu Xiuquan, president of the Beijing Institute for International Strategic Studies, met with Mr. and Mrs. Lord. They had a friendly conversation on issues of common concern.

LI PENG MEETS AMERICAN NUCLEAR SOCIETY GROUP

OW181329 Beijing XINHUA in English 1305 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Vice-Premier Li Peng said here today that China is willing to cooperate with the United States in developing nuclear energy. The prospect for Sino-U.S. cooperation in this field is optimistic, though a bilateral agreement has not been concluded, he added.

Li Peng made the remarks at a meeting with an American Nuclear Society delegation in the Great Hall of the People this afternoon. "China is developing nuclear energy for peaceful purposes," he said. "China does not encourage or support nuclear proliferation." To step up the development of nuclear energy, he said, China plans to import technology and equipment from other countries in the spirit of self-reliance and under reasonable economic conditions.

He said China has already concluded with France a memorandum of understanding on nuclear cooperation, and is negotiating with Britain purchase of nuclear power station equipment. Japan and other countries have expressed their willingness to cooperate with China in construction of nuclear power stations. Technological exchanges between Chinese and American specialists in nuclear power will promote Sino-American cooperation in nuclear power and deepen the friendship of the two peoples, he said.

The Chinese and American nuclear societies have agreed through discussions in the past few days to exchange visits, nuclear energy materials and lecturers. The American Nuclear Society also agreed to hold an exhibition on nuclear technology in China next year. Headed by Milton Levenson, president of the American Nuclear Society and executive engineer of Bechtel Power Corporation, the 31-member delegation will leave Beijing tomorrow for Guangzhou.

HUANG YUKUN MEETS, FETES JAPANESE GUESTS

OW181848 Beijing XINHUA in English 1615 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Huang Yukun, deputy director of the General Political Department of the Chinese People's Liberation Army, met with and feted here this evening a friendship delegation from Japan's Tezi Ryokai (Society) led by Yaoshio Miyahara.

Members of Tezi Ryokai worked in the P.L.A. for several years after August 1945. They did a lot to promote the friendship between China and Japan after returning to Japan during the period from 1951 to 1953. Huang Yukun once worked as political commissar of the No. 112 Division of the 38th Army of the P.L.A.

Present were a number of high-ranking P.L.A. officers who once worked in the 38th Army. In their toasts, Huang Yukun and Miyahara said they would continue to work for the friendship between the two peoples.

RALLY MARKS TIANJIN-KOBE FRIENDSHIP ANNIVERSARY

OW181351 Beijing XINHUA in English 1310 GMT 18 Oct 83

[Text] Tianjin, October 18 (XINHUA) -- More than 1,300 residents in Tianjin City attended a rally here this afternoon to mark the 10th anniversary of the forging of friendly ties between the city and Kobe. Addressing the rally, Mayor of Tianjin Li Ruihuan and Mayor of Kobe Tatsuo Miyazaki reviewed the friendly exchanges between the two cities in the economic, cultural, scientific, technical, sports and medical fields over the last decade. They expressed the hope that such exchanges would grow.

Li Ruihuan said in the past decade Tatsuo Miyazaki has made outstanding contributions to promoting the friendly exchanges and cooperation between the two cities, and the Tianjin Municipal People's Government has decided to confer on him the title of "Honorary Citizen of Tianjin." Zhang Zaiwang, chairman of the Standing Committee of the Tianjin Municipal People's Congress, attended the rally.

This morning leaders of the two cities held talks on expanding exchanges and cooperation between the two cities. A number of rare animals from Japan were presented to Tianjin City at a ceremony held earlier today. A Kobe film week and a photo and a children's painting exhibitions opened simultaneously in Tianjin. Tatsuo Miyazaki and a goodwill delegation led by him arrived here from Beijing yesterday. The guests are scheduled to leave here for other parts of China tomorrow before going home.

SINO-BRITISH TALKS ON HONG KONG RESUME

OW190258 Beijing XINHUA in English 0229 GMT 19 Oct 83

[Text] Beijing, October 19 (XINHUA) -- The fifth round of the second stage of the Sino-British talks on the Hong Kong issue began here this morning. Yao Guang, chairman of the Chinese Government delegation and vice-minister of foreign affairs, greeted Percy Cradock, chairman of the British Government delegation and British ambassador to China, and other members of the British delegation at the entrance to the meeting hall. The talks are scheduled to continue through October 20.

PRK SUSTAINED ENTIRELY THROUGH SRV INTERCESSION

HK181020 Beijing RENMIN RIBAO in Chinese 16 Oct 83 p 6

["International Jottings" by Zhi Guang: "It Is Hard for Them To Deal With the Situation"]

[Text] The Vietnamese authorities have time and again claimed that they will not withdraw their aggressive troops from Kampuchea. Some months ago, they even played the trick of the so-called "partial withdrawal" to show their "sincerity" on a solution to the Kampuchean issue. However, at a press conference held recently in Paris, Vietnamese Foreign Minister Nguyen Co Thach revealed his atrocious features and clamored that Vietnam will never withdraw its troops from Kampuchea. Not only now, but even after the next "5 years," it will not withdraw its troops. This is because the Phnom Penh puppet troops propped up by Hanoi "cannot deal with the situation." This means that the Vietnamese authorities have made up their mind to hold on to Kampuchea forever. The so-called "respecting the independence of Kampuchea" and "rehabilitating Kampuchea" are but a pack of lies spread by the Vietnamese authorities to cheat the people.

Did not Hanoi repeatedly assert that the Phnom Penh puppet regime had "effectively controlled the whole of its territory" and that the "power" of the puppet troops "was strong as to inspire the people?" Why, then, after the next 5 years or even more, will it be "hard for them to deal with the situation?" Everybody knows that the Phnom Penh imperial government is sustained just because it depends entirely on the bayonet of Hanoi. It would be impossible for it to maintain its present status for a single day without the support of the Vietnamese occupied troops. The question is whether the Vietnamese authorities really think that they can hold on to Kampuchea for the next 5 or 10 years. The people of all countries will never tolerate such a state of affairs, to say nothing of the Kampuchean people. In the long run, it will also be hard for the Vietnamese authorities to deal with the situation.

YAO YILIN MEETS AUSTRALIAN AUDITOR-GENERAL

OW181054 Beijing XINHUA in English 0804 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Chinese Vice-Premier Yao Yilin today exchanged views on cooperation between China and Australia in the field of auditing with visiting Australian Auditor-General Keith Brigden and Chief Auditor of Canberra Gregory M. Williams. At a meeting in the Great Hall of People, Yao said auditing in China is in its infancy and persons in this field lack experience. The assistance Australia has given China in setting up auditing institutions is much appreciated. Brigden said that he had a very good talk with his Chinese counterpart Yu Mingtao in Beijing and that some new cooperative projects were in the offing. Since 1981 Australia has helped China run three training classes for auditors. In 1985 China is scheduled to send five persons to Australia for one year of training in auditing in Australian units.



CONTINUING REPORTAGE ON WU'S TURKEY VISIT

Received by President Evren

OW181522 Beijing XINHUA in English 1442 GMT 18 Oct 83

[Text] Ankara, October 18 (XINHUA) -- Turkish President Kenan Evren received visiting Chinese State Councillor and Foreign Minister Wu Xueqian here today. In the friendly conversation with the Chinese foreign minister, the president said the development of the relations between the two countries is beneficial to both sides. Evren hoped that these relations would be further developed, especially in trade and economy. "The Turkish people always have friendly feelings towards the Chinese people", he said.

After the brief introduction by Wu Xueqian of his talks with Turkish Prime Minister Bulent Ulusu and Foreign Minister Ilter Turkmen, Evren said, "On international issues, the viewpoints of the two countries are basically identical." "Turkey situates in a key region. Many new issues arise around Turkey. We hope the Iraq-Iran war would not be complicated or enlarged. Turkey had made and would like to continue her mediation efforts for ending the Iraq-Iran war," he said.

Present on the occasion were also: Turkish Foreign Minister Turkmen, Turkish Ambassador to China Tezel and Chinese Ambassador to Turkey Zhou Jue.

## Ankara Press Conference

OW190255 Beijing XINHUA in English 0231 GMT 19 Oct 83

[Text] Ankara, October 18 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that both China and Turkey "suffer the menace from Soviet hegemonism" and "want to strengthen their solidarity and maintain vigilance against the menace of Soviet hegemonism."

Speaking at a press conference here today, Wu, who is paying a visit to Turkey, said China and Turkey "have identical or similar viewpoints on many important international issues." Taking the Afghanistan problem as an example, he said "both China and Turkey ask for the withdrawal of Soviet troops from Afghanistan."

The Chinese foreign minister reaffirmed that the Chinese Government wishes to improve her relations with the Soviet Union. Improvement has been made in the Sino-Soviet relations, but there is still a great distance to the normalization. "Without the removal of the three major obstacles, China always suffer menace from the Soviet Union," he declared.

Asked on the disarmament problem, Wu described the Geneva disarmament talks as "a show of the tension of the East-West relations." He pointed to the great difference between the United States and the Soviet Union mainly on the deployment of the medium-range nuclear missiles in Europe. "Both sides have put forward many proposals on this issue, but still continue their arms race. I do not see any positive results from the talks, if they have no sincerity on disarmament," he stated. Wu also expressed China's sympathy with and support for the peace movements in Western Europe, Canada and America by the people demanding nuclear disarmament and opposing the deployment of nuclear missiles.

On the Middle East problem, Wu Xueqian attributed the unsettlement of the problem during more than thirty years to the "Israeli aggression and expansion supported and aided with by the U.S."



"We hope the Palestinian and Arab countries and peoples to strengthen their solidarity in the struggle against Israeli aggression and expansion. It is the basic way to solve the Middle East problem," he said.

Wu expressed the Chinese Government's concern about the Iraq-Iran war, which he said "is disadvantageous to the peace in the Middle East and in the world." "China wishes the ending of this war as early as possible."

He also hoped the Cyprus problem be solved through peaceful negotiations between the two communities of Cyprus, and the Turkish-Greek disputes be solved through peaceful negotiations.

The Chinese foreign minister gave a farewell dinner at the Chinese Embassy here last evening. He left here this afternoon for Istanbul.

#### Li Xiannian Visit Announced

OW190239 Beijing XINHUA in English 0205 GMT 19 Oct 83

[Text] Ankara, October 18 (XINHUA) -- Li Xiannian, president of the People's Republic of China, will pay a visit to Turkey in the first half of next year at the invitation of Turkish President Kenan Evren. This was announced by visiting Chinese Foreign Minister Wu Xueqian at a press conference here today.

Wu, who is also a Chinese state councillor, expressed his great satisfaction with the results of his visit to Turkey. He recalled the development in friendship and cooperation between the two countries since they established diplomatic relations 12 years ago and hoped the relations will further develop in the next decade. The Chinese foreign minister will leave here tomorrow for an official visit to Oman.

#### FANG YI MEETS VISITING MAX PLANCK SOCIETY GROUP

OW181240 Beijing XINHUA in English 1206 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- State Councillor Fang Yi met and had a friendly conversation here this afternoon with a delegation from Max Planck Society of the Federal Republic of Germany led by Professor Reimar Luest, president of the society. Present on the occasion were Lu Jiaxi, president of the Chinese Academy of Sciences, and Guenther Schoedel, Federal German ambassador to China. The guests arrived here last night at the invitation of the Chinese Academy of Sciences.

#### HAN NIANLONG MEETS VISITING HAMBURG DELEGATION

OW180932 Beijing XINHUA in English 0815 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, met and feted at noon today a delegation from the State of Hamburg of the Federal Republic of Germany led by its president Klaus von Dohnanyi. Han Nianlong said that there were great potentials for economic and technical cooperation between the two countries.

The delegation arrived here yesterday. This afternoon the delegation held talks with leading members of Chinese economic departments on expanding cooperation in sea transportation and trade between the two sides. The delegation will tour Tianjin, Shanghai, Hangzhou and Guangzhou.

WANG BINGNAN HOSTS DINNER FOR BRITISH VISITOR

OW181742 Beijing XINHUA in English 1605 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, hosted a dinner for Eric Hotung from Britain here this evening. Hotung's grandfather, Robert Hotung, was an acquaintance of Dr Sun Ya-sen, forerunner of China's democratic revolution, and provided funds for Dr. Sun's revolutionary activities. Eric Hotung is now a member of the board of Georgetown University in the United States.

SHANGHAI CPC COMMITTEE DELEGATION LEAVES FOR ITALY

OW182301 Shanghai City Service in Mandarin 2300 GMT 16 Oct 83

[Text] According to the Shanghai branch of the XINHUA NEWS AGENCY, a friendship delegation of the Shanghai Municipal CPC Committee left Shanghai for a visit to Italy by way of Beijing on 15 October at the invitation of the Lombardy District PCI Committee. The delegation was headed by Yang Di, member of the CPC Central Committee and secretary of the Shanghai Municipal CPC Committee. At the airport to see the delegation off were Comrade Ruan Changwu, secretary of the municipal party committee, and others.

Among the delegates are (Chen Tiedi), Standing Committee member of the municipal Party Committee and party secretary of the Education and Public Health Work Committee under the municipal Party Committee, and (Zhao Dingyu), deputy party secretary of the Industrial Work Committee under the municipal Party Committee.

ZHU XUEFAN MEETS ROTTERDAM DELEGATION, MAYOR

OW172350 Beijing XINHUA in English 1329 GMT 17 Oct 83

[Text] Beijing, October 17 (XINHUA) -- Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress, met and had a cordial conversation here this afternoon with a delegation from Rotterdam, Holland, led by Mayor Bram Peper. Rotterdam and Shanghai became sister cities in 1979. The Dutch guests flew in here last Saturday and will go on to Shanghai Wednesday.

ROMANIAN FRONT DELEGATION CONTINUES VISIT

## Meets Deng Yingchao

OW181808 Beijing XINHUA in English 1446 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met there this afternoon with a delegation from the National Council of the Romanian Socialist Democracy and United Front led by Tamara Dobrin, executive chairman of the National Council.

Deng Yingchao said the friendly relations between China and Romania have steadily grown in the past few years. The contacts between the CPPCC National Committee and the National Council of the Romanian Socialist Democracy and United Front, she said, will contribute to the promotion of friendship between the Chinese Communist Party and the Romanian Communist Party and between the people of the two countries.

Dobrin expressed thanks for the warm reception and hospitality from the CPPCC National Committee. She said the mission of her delegation is to develop the friendly contacts between the CPPCC National Committee and the Romanian National Council and help promote the friendship between the two parties, two countries, and two peoples.

Attending the meeting were Yang Jingren, Liu Lantao, Kang Keqing, Hu Ziang, and Qian Changzhao, vice-chairmen of the CPPCC National Committee. Angelo Miculescu, Romanian ambassador to China, was present.

## Yang Jingren Hosts Banquet

OW181818 Beijing XINHUA in English 1450 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Friendly cooperation between China and Romania in various fields was reaffirmed here this evening at a banquet in honor of a delegation from the National Council of the Romanian Socialist Democracy and United Front.

Speaking at the banquet, Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), said the friendly contacts between the CPPCC National Committee and the Romanian Socialist Democracy and United Front are a component part of the friendship between the two peoples.

"The close contacts between our two organizations have made positive contributions to the friendship between our two peoples," he added.

Yang also praised the Romanian people for their achievements in socialist construction and their contributions to world peace.

Tamara Dobrin, executive chairman of the National Committee of the Front and head of the delegation, said visits by leaders of the CPPCC National Committee to Romania provided an opportunity for the two sides to exchange their experience. This has promoted mutual understanding and friendship between the two peoples.

"The Romanian Socialist Democracy and United Front will work for Romania-China friendship," she said.

I. 19 Oct 83

C H I N A  
PRC NATIONAL AFFAIRS

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LI XIANNIAN ADDRESSES TRADE UNION CONGRESS

OW181146 Beijing XINHUA in English 1115 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Following is the text of the speech delivered by Li Xiannian, president of the People's Republic of China and member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party, at the 10th national trade union congress that opened here today.

China's 10th national trade union congress is an important meeting in the history of the Chinese workers' movement. The congress will have a great impact on promoting the unity of Chinese workers of all nationalities, and striving for new advances in the socialist modernization program, the workers' movement and trade union work. On behalf of the Central Committee of the Chinese Communist Party and the State Council, I hereby extend warm congratulations to the congress! I also extend cordial regards and lofty greetings to all its delegates, to model workers and advanced workers who have achieved marked successes and outstanding trade union workers and to all those working hard for the modernization program!

Over the past half century and more, the Chinese workers' movement has been closely linked with the historical process of Chinese revolution and construction as a whole and it forged ahead with the development of revolution and construction. The Chinese workers, under the leadership of its vanguard the Chinese Communist Party, have made great historic achievements in the protracted democratic revolution, and socialist revolution and construction. Guided by the line of the Third Plenary Session of the party's 11th Central Committee, they have, since the downfall of the "gang of four", made new historic contributions to uniting the people in overcoming many difficulties left over from the ten years of domestic turmoil and accomplishing the great historic transition. The Chinese working class has proved itself to be the worthy-long-tested leading class of revolution, and the mass of workers have proved themselves to be the worthy main force in building socialism.

The Chinese workers' movement has now entered a new stage. It is the common historical mission of the entire Chinese people and also the fundamental task of the workers' movement in the period to achieve the grand goal set by the party's 12th national congress. That goal is to quadruple the total value of China's annual industrial and agricultural output by the end of this century by constantly improving economic results and to build China into a modern, socialist country with a high level of civilization and democracy. To do this, the ideological, political, scientific and educational level of the workers must be raised and they must act as masters in developing China's material civilization, culture and ethics. This problem must be dealt with correctly so that the working class fully takes up its leading responsibility for the modernization drive and to ensure the correct orientation for the workers' movement in pressing ahead triumphantly. The primary duty of the trade unions is to provide the proper solution for this problem.

The reason the working class is most advanced and best organized and disciplined is not only that it represents the new productive forces and the new relations of production but it is also armed with scientific communist ideas.



Scientific communist ideas, however, do not emerge spontaneously from the working class. Workers have to study conscientiously to master the scientific ideas defining the historic mission of the working class, thereby becoming the most advanced social force consciously advancing the historical process. The ten years of domestic turmoil caused ideological confusion among a part of the workers, particularly the young workers. Its pernicious influence has not yet been eradicated. Under the new historical conditions of opening to the rest of the world while revitalizing the domestic economy, some workers are to distinguish right from wrong or to resist the corrosion and contamination of decadent bourgeois and other non-proletarian ideas. We must pay keen attention to this. The trade unions must cooperate closely with the party and administrative departments in enterprises to give workers consistent education in basic theories of Marxism-Leninism and Mao Zedong Thought, and in patriotism, collectivism, socialism and communism. At the same time, they must also improve day-to-day ideological and political work in the light of workers' real thinking. The Chinese working class, the most powerful class both organizationally and ideologically, was able to resist and overcome corrosion by reactionary ideas in past hard times of revolutionary struggles. Today it can surely also resist and overcome all forms of ideological contamination. Workers in many places in recent years have developed good ways of educating themselves, which in essence are ways of using working class ideology to eliminate ideological contamination. Trade unions should sum up, popularize and develop such experience so as to enhance working masses consciousness in fighting against ideological contamination. Through this struggle and ideological and political education, our workers will be tempered and become a strong contingent imbued with lofty aspirations, disciplined and morally and intellectually mature.

Education, science and culture are the intellectual foundation for the country's economic construction and social development, as well as for improving enterprise quality. Only by acquiring essential scientific and technical knowledge and a fairly high level of job competence and managerial skills through hard work and study can the workers do their full part in modernized production and improving enterprise management and operations to raise economic efficiency of enterprises and society as a whole. Furthermore, a higher scientific and cultural level among the workers is an important condition for enhancing their enthusiasm for labor and social-political work. Trade unions at all levels must effectively perform their duty to mobilize and organize the workers to study science and general knowledge. The workers must have a respect for knowledge and intellectuals since this conforms to the fundamental interests of the working class and the entire nation and constitutes an indispensable social quality for the working class. The workers must be aware that they can never be qualified for developing socialist material civilization, culture and ethics without equipping themselves with modern science and other related knowledge. In coordination with the departments concerned and by pooling all efforts the trade unions must do a good job of running regular scientific and cultural education for the workers. At the same time, efforts must be made to create the necessary conditions for self-study to help workers qualify themselves.

While making efforts to improve the quality of the workers, trade unions must truly represent their interests and resolutely defend them.



The entire population of our country has economic, political and social interests in common and there is no conflict of fundamental interests among the people. Nevertheless, there is a division of labor and a diversification of economic undertakings which creates special interests in different sectors. Such special interests should be respected provided they do not conflict with the overall interests of society. The entire program and all the activities of our party represent and embody the fundamental interests of the working class and the rest of the people and the supreme interests for the development of society, as well as the coordinating of the long-term and immediate interests of the people. The party, through its work in various fields and by relying on its policies, strives to adjust correctly the specific interests of people of the different sectors. Trade unions are a link or a bridge by means of which the party maintains its ties with the masses and, at the same time, are the guardian of the workers special interests. The role of mass organizations such as the trade unions, the Communist Youth League, the Women's Federation must be to get their members to take an active part in the country's construction and state affairs while representing their interests. The trade unions, the Communist Youth League and the Women's Federation are important organizations operating under our political system under the leadership of the party. They should be authoritative and empowered to do their work independently. Party organizations and governments at all levels must energetically support the trade unions in doing their work. Historical experience has proved that it is entirely wrong to describe the independent, responsible work done by trade unions under the leadership of the party as attempts to "refuse to obey party leadership" or practise "syndicalism."

Trade unions at all levels must have a clear-cut stand in the struggle against everything that jeopardizes the workers' interests. They must fight against bureaucracy in leadership such as irresponsibility to the party and the people, disregard for the workers' democratic rights and apathy toward their life. They must also combat actions by trade union members that are detrimental to the interests of the country and the collective. They must educate the workers to carry forward the glorious tradition and revolutionary spirit of hard work, selflessness in the public interest, discipline, willingness to work wherever needed and attention to the enterprise, while integrating the interests of the nation and the enterprise with their own interests. They must be real work to eliminate lax discipline and slackness in work, the tendency of "doing anything only for money" and of taking advantage of one's work to help oneself at the public expense. The workers must be aroused to struggle actively against economic and other criminal offences and all unhealthy tendencies that damage socialist order so as to improve the general atmosphere in society. Without such struggles, the interests of the nation and society and the workers' interests cannot be protected. Trade unions at all levels must resolutely eradicate the decadent workstyle characteristic of "yamens" (government offices in old China -- tr.), go deep among the masses, pay heed to their voice and report their demands to higher authorities while striving hard to help them solve their most pressing difficulties and problems. In a word, trade unions must try their best to do good things, things of practical value for them. In this way, they will win the wholehearted support of the working masses and maintain their vitality, thus earning the title of "the home of the workers."

Our congress is now in session immediately following the convocation of the Second Plenary Session of the 12th party Central Committee.

The "decision of the Central Committee of the Chinese Communist Party on party consolidation" and the speeches of Comrades Deng Xiaoping and Chen Yun at the session are very important documents, which are of immense significance for guiding trade union work and the workers' movement as a whole. The Chinese working class and the rest of the Chinese people under the party's leadership will accomplish great things in the magnificent cause of China's modernization. After this national congress, the Chinese trade unions and the workers of all nationalities, we are convinced, will unite still closer to fulfill their historical mission, and make still greater victories for China's modernization and open still brighter prospects for the Chinese workers' movement!

#### RENMIN RIBAO ON PARTY RECTIFICATION RESOLUTION

HK180958 Beijing RENMIN RIBAO in Chinese 16 Oct 83 p 1

["Short" commentary: "Conscientiously Study Document on Party Rectification, Voluntarily Correct Mistakes"]

[Text] The "resolution of the CPC Central Committee on party rectification" calls on all party members to conscientiously study and actively participate in party rectification. The "resolution" points out: "All party organizations must organize party members to conscientiously study party rectification documents stipulated by the CPC Central Committee, heighten their political awareness, and perfect their regular activities, after promulgation of this resolution. Party members and party cadres who have committed various mistakes should voluntarily correct their mistakes rather than put them aside until their own units carry out party rectification." This call is issued to party organizations and party members who carry out the first and second stages of party rectification.

In recent years, party rectification actions have been evident in much of our work and struggles to different degrees, such as readjusting the leading group, carrying out economic reform, hitting at serious crimes in economic and other fields, building socialist spiritual civilization, and struggling to rectifying unhealthy tendencies. These are necessary preparations for carrying out all-round party rectification. Facts have indicated that when we carry out these works and struggles, we shall make remarkable improvements in our thinking, work style, discipline, and organization, and create a new situation in our work once we act in the revolutionary spirit and bring party organization's initiative into play. Units and local authorities which are passive, move only a bit when they are pushed, and lack innovative spirit will not create a successful work situation. Therefore, the most important point is still the revolutionization of leading groups to accomplish the task assigned by the 12th CPC Congress.

The CPC Central Committee decided that party rectification will be started from above, that is, from the leading groups. Whether or not the leading groups have a correct ideological line, are too tough in their work style, and are mentally prepared for party rectification plays an important part in the success of rectifying party leadership and the party. In the second stage of party rectification, all party organizations must by no means passively put aside or even pile up problems for a "general check-up" of party rectification next winter! By that time they will be in a passive position. They should actively take action, conscientiously study the document, improve their understanding of party rectification, correct themselves while learning, and voluntarily correct their mistakes to prepare for next winter's party rectification. Comrades who have made mistakes but only want to "pass" next winter's party rectification rather than voluntarily correct their mistakes will also be in a passive position. Their attitude will do no good to the party or to themselves.

If they have made mistakes, it is better for them to correct them earlier. In view of party rectification, the work of the CPC Committee of Yu County is the first gratifying step, which gives us valuable enlightenment.

#### WANG ZHEN, OTHERS ATTEND MEMORIAL MEETING

OW190621 Beijing XINHUA Domestic Service in Chinese 1213 GMT 18 Oct 83

[Text] Beijing, 18 Oct (XINHUA) -- Lai Zulie, member of the Sixth CPPCC National Committee and former deputy director of the State Council's Foreign Experts Bureau, died of illness in Beijing on 6 October 1983 at the age of 76. A memorial meeting for Comrade Lai Zulie was held today at the auditorium of the Babaoshan Cemetery for Revolutionaries.

A native of Yongding County, Fujian Province, Comrade Lai Zulie joined the revolutionary ranks in 1928. Dedicating his life to the party's cause, he made positive contributions to the logistic management of central organs and the development of services for them, as well as to the Chinese revolution and construction. He was a fine cadre and member of the party.

More than 400 people attended the memorial meeting, including Wang Zhen, Yang Shangkun, Song Renqiong, Hu Qili, Qiao Shi and Liao Hansheng as well as staff members of the General Office of the CPC Central Committee and other central organs.

#### CENTRAL PLA LEADERS AT WAREHOUSE WORK MEETING

OW181205 Beijing XINHUA Domestic Service in Chinese 1201 GMT 17 Oct 83

[By reporters Yu Fengyuan and Xiang Zhengyan]

[Text] Beijing, 17 Oct (XINHUA) -- The all-army warehouse work conference closed today. The conference pointed out the need to improve warehouse work, centering on good material management so that it meets the demands of building a modern, regular, and revolutionary army and of modern warfare.

Ye Jianying, Xu Xiangqian, and Nie Rongzhen, vice chairmen of the CPC Central Committee Military Commission, are very concerned about the conference. They have pointed out that warehouse management is a science, and that to do a good job in warehouse management we must first love the job and then strive to learn scientific knowledge on warehouse technology and management, improve warehouse management, and build modern warehouses.

Yang Shangkun, vice chairman of the CPC Central Committee's Military Commission, emphasized in his speech: The Army cannot be modernized, nor can it win in modern warfare if it does not have modern logistical support. Warehouse work is of great significance to the building of a modern, regular, and revolutionary army and to modern warfare. He urged participants to be aware of the heavy responsibilities resting on their shoulders, institute various strict management and responsibility systems, and do a still better job in warehouse management.

Yu Qiuli, Yang Dezhi, and Zhang Aiping, deputy secretaries general of the CPC Central Committee's Military Commission, attended the meeting. They pointed out in their speeches: Our army is constantly improving and developing its weapons and technical equipment. To do a good job in receiving, managing, and issuing the varied and technically complex weapons, equipment, and other supplies, we must have relevant scientific knowledge, technology, and management ability. To create a new situation in warehouse work, it is most important to select and train qualified personnel and to build a contingent of cadres who are both socialist-minded and vocationally proficient and who meet the demands of the "four modernizations."



The conference began on 2 October. Hong Xuezhi, deputy secretary general of the CPC Central Committee's Military Commission and director of the General Logistics Department, delivered a report entitled: "Step Up Our Army's Warehouse Construction, Improve Material Management, and Create a New Situation in Warehouse Work." Wang Ping, a Standing Committee member of the CPC Central Committee's Central Advisory Commission and political commissar of the General Logistics Department, made a summation speech.

The meeting held: The PLA has developed from a single-branched armed force into a combined armed force consisting of various arms and branches of service. The more the Army and its operations are modernized, the heavier the warehouse management responsibilities and the more important the functions of warehouses.

The meeting emphatically studied and formulated measures for making our Army's warehouse construction meet the demands of building a modern, regular, and revolutionary army and the demands of modern warfare. It emphasized the need to strengthen ideological and political work in consideration of the characteristics of warehouse work, actively apply new technologies, raise scientific management levels, gradually mechanize warehouse operation, and automate warehouse management. It stressed the need to consider the three-dimensional characteristics of modern warfare, and to enhance the militancy, rapid reaction ability, organization and command ability, and defense of army warehouses.

A circular order commending 91 advanced warehouses for outstanding achievements in warehouse construction, management, and use, jointly issued by the General Staff Department, the General Political Department and the General Logistics Department, was read to the meeting. The advanced warehouses also were awarded silk banners and certificates of merit.

#### YU QIULI ADDRESSES MEETING OF PLA ATHLETES

OW181117 Beijing Domestic Service in Mandarin 1200 GMT 16 Oct 83

[Text] The PLA athletic delegation to the 5th National Games held a meeting in Beijing on the afternoon of 15 October to summarize the results and commend athletes. Comrade Yu Qiuli spoke at the meeting.

The party committee of the PLA athletic delegation awarded Merit Citation Class II to the skiing team, the women's basketball team, the men's table tennis team, and 22 individual athletes as well as Merit Citation Class III to 9 teams and 105 individual athletes.

#### PLA PARTY MEMBERS TAKE ROTATIONAL TRAINING

OW190435 Beijing XINHUA Domestic Service in Chinese 0745 GMT 18 Oct 83

[Text] Beijing, 18 Oct (XINHUA) -- Since the beginning of this year party members in all PLA units have taken rotational training, group by group, at different times, with the new party Constitution as the main subject for study. By late September, 92.6 percent of party members in the armed forces had received such training. This has further strengthened the ideological building of the ranks of party members and has laid an ideological foundation for the smooth implementation of party rectification.

In conducting rotational training, all PLA units have grasped the study and implementation of the new party Constitution as the central task, and have organized party members to systematically study basic party knowledge to enable them to have a sound theoretical basis. On this basis party members have been guided to examine themselves against the new party Constitution, make criticism and self-criticism and particularly to solve major problems among themselves.

1) They have to do away with the erroneous idea that "communism is but a dim illusion" and to have firm faith in it; 2) They have to eliminate the influence of "leftist and rightist ideas and to maintain stronger ideological and political unity with the party Central Committee; and 3) They have to overcome individualism and to foster the idea of serving the people wholeheartedly. In the course of rotational training some Beijing PLA units have guided party members to check on their thoughts, work, studies and fighting spirit. Many party members said: The new party Constitution requires party members to be ready to make any personal sacrifice to realize communism and to serve the people wholeheartedly. We must give first place to the interests of the party and the people.

Some party member-cadres in the Qinghai Provincial Military District did not keep their minds on their work in the past because of hard conditions and poor transport facilities. After taking rotational training, most comrades pledged to place the interests of the revolution above everything else, to take root in the plateau and to contribute to defending and building northwest China.

In conducting rotational training, all PLA units have stressed the education of party member-cadres. Acting as ordinary party members, they have taken the lead in attending classes and participating in discussions; they have conscientiously made self-criticisms and modestly listened to the opinions of the masses. Many leading cadres have engaged in study and discussion, made ideological self-examination and received party education along with ordinary party members. Through such study, those leading cadres have taken a correct attitude towards such questions as promotion, transfer and remaining at, or retiring from, one's post and have gladly placed themselves at the disposal of the party organization. Some have also checked on their unhealthy trends, such as taking advantage of their power to pursue selfish interests, to seek special work privileges and to seek preferment for their children and relatives in admission to the party, enrollment in schools and promotions and transfers from one place to another. In view of problems discovered through such check-ups, party committees of many units have quickly adopted remedial measures regarding such problems as leading cadres' occupancy of houses and use of vehicles and public property, being carried out under office cadres' supervision.

While conducting rotational training, all PLA units have also paid particular attention to helping party members in "an intermediate state" to move into the advanced ranks by organizing them to conscientiously study the nature and general program of the party and the duties and rights of party members. They have also been organized to study the advanced deeds of outstanding party members to create concrete images of advanced elements. This has made party members feel the urgency of moving out of "an intermediate state." Through such studies many party members, who used to feel that they were "almost up to standard," have gained a new understanding of themselves and have pledged, one after another, to put strict demands on themselves according to requirements for party members.

#### ARTICLE URGES STUDY OF DENG THESIS ON ARMY BUILDING

HK181117 Beijing RENMIN RIBAO in Chinese 17 Oct 83 p 5

[Article by Xiao Quanfu: "An Army Must Look Like an Army -- Studying the Thesis on Army Building in the 'Selected Works of Deng Xiaoping'"]

[Text] Most of the speeches and statements in the "Selected Works of Deng Xiaoping" are not new to me since I have read them in the past. But they still touch my heart today after I have read them again systematically. The "Selected Works of Deng Xiaoping" is a splendid record of our tit-for-tat struggle against the erroneous ideas of Lin Biao, of the "gang of four," and of "left" deviation.



It is also a Marxist theoretical book by Comrade Deng Xiaoping on integrating the basic views of Marxism-Leninism-Mao Zedong Thought with China's conditions in the new historical period. Conscientiously studying the "Selected Works" is of far-reaching historical significance and of great realistic significance for further carrying out the line, principles, and policies formulated after the 3d Plenary Session of the 11th CPC Central Committee, and for strengthening party and army building.

Comrade Deng Xiaoping shows great concern for building our army. In the 10 articles on army building in the "Selected Works" he adheres to and develops the military ideology of Mao Zedong and advances a series of theories, principles, and policies for different areas of army work in the new historical period, thus clearly indicating the direction of building our army into a people's army with distinct Chinese features and in greater conformity with the needs of modern warfare. Comrade Deng Xiaoping points out: "An army must look like an army" and "our army must be built into a mighty, modern, and regular revolutionary army." All this has further defined a general goal for our army building.

"An army must look like an army." This, in fact, refers to the image of an army. Our army, which developed from small to large and from weak to strong since its establishment, has waged a protracted, complex, and arduous struggle against the enemy, both domestic and foreign, and won great victories one after another. In the people's eyes at that time, our army was an "unconquerable army" which was brave and skillful in battle, and was able to sweep away all obstacles, and was also a "civilized army" with good discipline which loved the people and worked hard. Nevertheless, after Lin Biao seized the work of the Central Military Commission and especially after the 10 year catastrophe of the "Great Cultural Revolution," our army was seriously harassed and vexed with a heap of problems such as "overstaffed administrations," "aversion to discipline," "arrogance," extravagance," and "laziness." Our army's image was effaced and its prestige declined. It was really distressing to see such a situation. At this very crucial moment it was Comrade Deng Xiaoping who sharply pointed out that "our army must look like an army" and called for the recarving of our army's great image. After the "gang of four" was smashed and not long after he resumed his work, Comrade Deng Xiaoping earnestly pointed out: "The PLA must know its own limitations and must reestablish its reputation by itself." Through the struggle of exposing and repudiating the "gang of four," the army was put on the right track step by step. In 1979 it won a victory in the self-defense battle of counterattack against Vietnamese aggression. Commenting on the event Comrade Deng Xiaoping happily noted: "The victory has greatly enhanced China's prestige in its struggle against world hegemonism as well as the PLA's prestige among the country's people. The battle has proved that our army still deserves to be called the PLA which is brave and skillful in battle and deserves to be called a giant wall which defends the socialist modernization of our country." Since Comrade Deng Xiaoping has presided over the work of the Central Military Commission, a series of important policies have been made to speed up our army's construction. So the image of our army has been greatly transformed among the masses of people.

To build our army into a real one, we must first put it entirely under party leadership and keep it absolutely in line with the party Central Committee politically. The first sentence of the first article in the "Selected Works of Deng Xiaoping" reads: "Our army has fine traditions. The principle of our army is that the party commands the gun, and the gun must never be allowed to command the party." To put the army entirely under party leadership we must first resolutely carry out the party's line, principles, and policies and strictly observe state laws and decrees. The party's line, principles, and policies as well as state laws and decrees fully reflect the people's will and demands and fully express the interests of the country and people.

Therefore, all revolutionary soldiers must set an example in observing and enforcing them. This is the most important discipline they ought to enforce and maintain. To put the army entirely under party leadership, we must also promote into all levels of leading bodies outstanding cadres who support the party's political and ideological line formulated after its third plenary session, and who protect purity in party spirit and oppose factionalism, so that leadership at all levels in the army will be firmly gripped by those who are politically reliable.

To build our army into a strong one, we must further restore and carry forward its fine traditions and cement its unity with the government and the people under the new situation. Our army is a people's army which comes from the people and serves the people. To serve the people wholeheartedly is the sole purpose of our army. The solid unity between the army and the people was for years a magic weapon of our army for defeating the enemy. However, such good army-people relations, like those of a fish to water, were greatly crippled during the 10 years of turmoil; the image of our army was blackened as a result of some silly things done by the army to help the "left" during the Cultural Revolution. In this connection Comrade Deng Xiaoping pointed out that the army should restore and carry forward its fine tradition of maintaining close links with the masses, and establish intimate relations with the government and the people. This idea is of great significance at the present time. During the past war years the people loved and supported us because we fought for them. In the present peaceful situation we should not only be loyal to our duties of defending the motherland and protecting the security and principal interests of the people; we should also maintain the true color of a people's army, take an active part in and support socialist construction, and do the masses of people more good turns. Only by so doing will we be loved and supported by the people.

Xinjiang is a multinational region. Relations between the army and the government, and between the army and the people in Xinjiang are in essence relations between various nationalities. To cement the army's unity with the government and the people in Xinjiang, and to improve the work of the army in supporting the government and cherishing the people, we must first further educate our armed forces in policy toward nationalities and enhance their consciousness of promoting national unity. Since the third plenary session we have paid adequate attention to improving relations between the army and the government, and between the army and the people, and strengthening national unity. Efforts have been made to encourage the armed forces to "love the motherland, love border areas, and love people of various nationalities" by means of education and various kinds of activities, and to rouse them to do good turns for people of all nationalities. Through these efforts, the unity between the army and the government, and between the army and the people has been further promoted and the prestige of our army has also been augmented among the people.

To build our army into a strong one, we must intensify education and training and must try our best to improve the troops' military quality. Whether the troops are good at fighting battles is a key to judging whether our army really looks like an army. Our army is a staunch pillar of the people's democratic dictatorship and shoulders the glorious task of defending our socialist motherland and our country's construction. Only by greatly strengthening and reforming our troops' military training, enhancing our army's ability to conduct combined operations and to react promptly under the conditions of modern war can we be well prepared against any possible emergencies and be able to remain invincible in future anti-aggression wars. In view of the rapid development of modern military techniques and in the light of the fact that our army was not properly trained for many years, Comrade Deng Xiaoping pointed out: "Training should be placed in an important strategic position."

"If attention is not paid to training the army, we will at the least suffer losses at the initial stage of a war." He required us to realize the importance and necessity of strengthening military training from a strategic viewpoint. Comrade Deng Xiaoping also pointed out: When conducting military training, we should intensify the training of combined operations in the light of the reality of modern war and enhance the commanding skill of army cadres; at the same time, cadres and soldiers should also be required to study assiduously scientific and general knowledge and management skills which are useful in socialist construction, according to the needs of army cadres and soldiers after they are transferred to work in civilian units. That is to say, the army should train two-purpose talented people capable of fighting battles and conducting socialist construction.

To build our army into a decent one, we must intensify its regularization. When people judge whether an army looks like a real army, they first view the army's appearance. In the PRC's early period, Comrade Mao Zedong issued an order to build regularized and modernized national defense forces. He required that the incorrect habits of our army -- such as decentralization, loose discipline, and guerrilla style which were correct in the war years -- be eliminated. Under the leadership of Peng Dehuai and other proletarian revolutionaries of the older generation we unified the establishment and organization of the whole army, established and expanded our navy, air force, and other arms of the special services, set up our military colleges and schools, promulgated various army regulations and rules, and enforced the compulsory military service system, the cadres' salary system, and the system of military ranks. All this brought about gratifying changes to our army which was developing from its initial stage to a higher stage. During that period our army was full of vigor and morale was very high. It really looked like an army. However, after Lin Biao came to power -- especially after the "Cultural Revolution" -- all these measures were criticized as "dogmatism" and the practices of "rigid control and coercion" were all discarded. This brought great losses to the building of our army. At a plenary session held at the end of 1977, the CPC Central Military Commission adopted a number of decisions and regulations to consolidate the army and to adapt it to the needs of actual combat. These regulations covered almost all fields of army building and represented a brand-new step toward our army's regularization. Comrade Xiaoping said: "With these regulations, we have some standards to follow, and we can thus further unify our understanding and our action." After he took charge of the work of the Central Military Commission, Comrade Deng Xiaoping further stressed the reestablishment of various regulations and systems and the need to heighten the sense of the troops' discipline and enforce various regulations and rules in a strict way. He required the troops to hold military reviews and marches-past. All this again enabled our army to enter another new state of its regularized building.

To further regularize our army, it is necessary to clarify some confused ideas. For example, some comrades think regularization means just the work of straightening our army discipline and soldiers' appearance and bearing. Of course this work is undoubtedly an issue that must be solved in the course of regularizing our army, but it is not the whole thing. Our regularization program includes all areas of our army work, such as military training, administrative management, army establishment and systems, weapons and equipment, political work, and logistics. Comrade Peng Dehuai said: "Regularization means that the whole army's work in all fields should be unified through formal stipulations or regulations in a thorough way." Through institutionalization and regularization, our army's order of life, work, training, and war preparation work can be placed on a more scientific basis. Some comrades, because they have been influenced by "leftism," still consider regularization formalist and dogmatic practice. This idea is very harmful. Admittedly, regularization must have some "forms" and some "regulations," but this on no account means that regularization must practice formalism and dogmatism.



Formalism merely seeks forms without regard to actual effects, and thus mechanically separates form from content. It exaggerates the appearance of things and neglects their substance. Dogmatism rigidly copies other people's regulations without considering our army's reality. This shows that formalism and dogmatism are essentially different from regularization.

WAN LI GREETES ECONOMIC CENTER OPENING IN ANHUI

OW190415 Beijing XINHUA Domestic Service in Chinese 1641 GMT 17 Oct 83

[By correspondent Tian Wenxi]

[Text] Hefei, 17 Oct (XINHUA) -- The first term class of the agricultural economics training center under the Chinese Federation of Economic Research Organizations opened in Hefei City this afternoon.

The training center was jointly set up by the Chinese Federation of Economic Research Organizations and the Anhui Provincial Agricultural Economic Management Cadres' School

Congratulatory letters from Vice Premier Wan Li, Director Du Runsheng of the Rural Policy Research Office of the CPC Central Committee's Secretariat, and the noted Chinese economist Yu Guangyuan were read at the opening ceremony. In his letter of congratulations, Comrade Wan Li praised the establishment of the training center. He said: It is necessary to rely on our policy and on science in promoting agriculture. Management is a branch of science. It is, therefore, imperative to attach great importance to the role of agroscientists and agrotechnicians, and to improve the management skills of cadres in charge of agricultural economics at all levels. He wished the training center success and urged it to contribute to advancing modern socialist agriculture with Chinese characteristics.

Present at the opening ceremony were leading comrades of Anhui provincial party and government organizations Wang Yuzhao and Meng Fulin, Deputy Director Wu Xiang of the Chinese Rural Economy Research Center, Chairman Luo Yuanzheng of the Chinese Federation of Economic Research Organization and a number of noted economists and professors.

The purpose of the training center, according to a responsible person of the center, is -- based on Anhui -- to serve the whole country and train a number of cadres in charge of agricultural economics management at prefectural and county levels, while training teachers who have completed college. A total of 150 managerial personnel at prefectural, county and commune levels from 14 provinces will take a 1-year course at the center. They are 25 and 45 years old and 70 percent of them have completed college.

The 1-year course will offer such subjects as political economics, agro-economic management, agricultural economics, agricultural development strategy, theory of the job-responsibility system, foreign agricultural development and ecology. Teachers at the training center will be professors, associate professors, researchers and their assistants who are specialists. They will teach at the center by invitation. Lectures will also be delivered by a number of noted Chinese experts, scholars and responsible persons of the central departments concerned.



CYL SECRETARY ON YOUTH STUDY ACTIVITY

HK181114 Beijing ZHONGGUO QINGNIAN BAO in Chinese 6 Oct 83 p 1

["Radio" speech by Wang Zhaoguo, first secretary of the CYL Central Committee: "Study Hard, Revitalize China"]

[Text] Young friends and comrades;

Since the 3d Plenary Session of the 11th CPC Central Committee, the vigorous upsurge for industriously studying and reading to acquire knowledge, which springs up among the broad masses of young people in our urban and rural areas, has fully reflected the flourishing and progressive spiritual features of our young people as well as their lofty sentiments and aspirations to regard the revitalization of China as their own responsibility. For the sake of advancing the sustained development of this gratifying situation in breadth and depth, the CYL Central Committee, the All-China Youth Federation, and the All-China Students' Federation have decided as from this October to develop an organized and direct "national youth study activity" among young people of various professions and trades in urban and rural areas throughout the country.

We are glad to see that the large-scale development of such a youth study activity has an extensive foundation. In the preceding stage CYL organizations of many provinces, municipalities, and autonomous regions used various forms to organize young people to develop study activities. Millions of young people eagerly participated and enthusiasm for study was very high. Reading more books and reading better books has increasingly become the strong desire of the broad masses of young people and also the pressing demand made on young people by the times.

The development of study activity will enable young people to receive an education in patriotism, collectivism, socialism, and communism from the enormous amount of educational works, keep on raising their ideological consciousness, and gradually establish a communist outlook on life, and they will more consciously uphold the four basic principles, strengthen their communist belief, and courageously shoulder the important tasks entrusted to them by history.

The development of study activity will enrich the knowledge of young people, prompt their mental development, enrich their life, mold their temperament, broaden their field of vision, and more properly train them into useful people for the four modernizations.

The development of study activity is also a good way for people to educate themselves. The eager participation of millions of young people in study activity shows that it is a vital activity greatly welcomed by young people. The broad masses of young people will, as a result of this activity, receive a lively and practical education.

We hope that the broad masses of young people can, in light of their own ideological reality, work, and study tasks, actively participate in study activity. In particular, they must intensify the reading of books in the fields of political theory, ideological self-cultivation, and scientific knowledge. They must adhere to the principle of spare time and extracurricular study, study for the sake of applying, and contribute their knowledge to people as well as to the great cause of the four modernizations.

Organizations of the CYL, youth federation, and students' federation must regard organizing and directing young people to participate in study activity as an important task, and conscientiously grasp it firmly as well as properly. They must give earnest assistance and guidance to the study activity of young people, enhance the ideological, intellectual, and problem-solving nature of the study activity and make it interesting, and keep on developing it in depth.

"National youth study activity" is a mass activity for the broad masses of young people which requires the concern, support, and guidance of various sectors in society. We earnestly hope that party and government organs, mass organizations, and press, publishing, and distribution departments everywhere, as well as public figures and comrades in the fields of culture, education, and science and technology, will use various means to direct the study of young people and help them to become useful persons. Here, on behalf of the CYL Central Committee, the All-China Youth Federation, the All-China Students' Federation, I express the highest respect and heartfelt thanks to comrades of various sectors taking an interest in and supporting our youth work as well as the "national youth study activity" being developed at present.

"Knowledge is strength" and "books are indispensable as the life, companion, and teacher of young people." These famous maxims have inspired and encouraged generation after generation of young people to diligently and untiringly study hard for the emancipation of people and the rise of the motherland. If our older generation had taken the revolutionary road under the inspiration of Marxist and other progressive books, the party and the government today would have created extremely favorable conditions for our young people's study. We believe that by studying to acquire knowledge and actual tempering, the broad masses of young people will certainly be able to become a generation of discipline-abiding people with ideals, ethics, and culture who will make greater contributions to and win greater honor for the four modernizations.

Young friends, let us actively participate in the "national youth study activity!" I hope all of you will acquire more knowledge and strength from the study activity.

#### RENMIN RIBAO HITS USING RELATIONSHIPS TO AVOID LAW

##### Case of Zhang Jinjun

HK190754 Beijing RENMIN RIBAO in Chinese 12 Oct 83 p 4

["Newsletter" by correspondent Liu Yongya and reporter Wu Hengquan: "'The Tiger Who Returned to the Mountain' Has Fallen Into the Net of Justice Once Again -- on the Arrest of Zhang Jinjun"]

[Text] "Zhang Jinjun is under arrest!" The news soon spread all over the mountain city as soon as the public security bureau of Anshun City, Guizhou Province arrested him in mid-August. People hurried to tell each other about the news, overjoyed, warmly praising the correct and wise decision of the NPC Standing Committee on severely punishing criminals who commit grave crimes.

Who is Zhang Jinjun anyway? Why has his arrest aroused the concern of so many people? Let us trace back to the beginning of the story.

##### Principle Has Withstood Pressure

Zhang Jinjun, alias Zhang Dajun, aged 36, worked in the grain bureau of Anshun City until his recent arrest. Ten years ago he was notorious throughout the city for gang fighting, gambling in secret, and taking liberties with women, and was a "frequent visitor" of public security organs.

On 25 February 1973, Zhang Jinjun and others were attending a wedding banquet at a family by the surname of Wang. When the banquet was over, his men had a row with some others. On hearing a shout of "Dajun, I am being beaten!" Zhang dashed out of the door with a stainless steel knife in hand. He ran into Shuai Xuequan who helped the Wang family. Without asking what was happening, he thrust the knife toward Shuai's breast. Shuai defended himself with his hand, which was wounded.

Again thrust the knife, this time at Shuai's arm. At that point Shuai was seriously wounded. Zhang Jinjun's conduct was a crime of deliberately injuring others. According to the law, the Anshun people's court sentenced him to 10 years' imprisonment.

Convict Zhang still did not admit his guilt after the sentence was given, made several appeals while he was under forced labor, trying without justification to reverse the verdict. Zhang's father was a veteran Red Army man who at that time held a post in the Anshun grain bureau. In disregard of party discipline and state law, he sent several letters of appeal to departments concerned, demanding a reexamination of the case. In succession, Anshun's court of justice received a series of letters of appeal written by the veteran Red Army man, with written comments on them from higher level organs and leading members. For a time the court of justice was under great pressure. They seriously reexamined Zhang Jinjun's case and ascertained that "there is conclusive evidence that convict Zhang had injured others in a fight," that he himself "had confessed everything," and that the original sentence was correct. Through discussion, they all held that it was necessary to uphold the principle that all citizens are equal before the law. No matter who he is, and no matter whose son he is, if he has violated the penal code he will be dealt with according to law. Therefore, in September 1975 the city court of justice rejected the appeal of convict Zhang and ordered him to "admit his guilt, obey the law, and behave himself in remolding."

The court withstood the pressure and upheld principle, and the attempt of convict Zhang to reverse the verdict failed.

#### Human Relationships Broke the Net of Justice

Zhang Jinjun remained steeped in evil and refused to repent after his appeal was rejected. He and his father and mother continued to write letters of appeal while his parents went everywhere, trying to gain their end through pull, and personally "pleaded mercy" to some leading cadres of the prefecture and the city.

In early 1979 Zhang Jinjun's father became seriously ill; under this pretext, Zhang's mother went to the court of justice several times, demanding that they "take a firm grasp in reexamining the case" and "make a conclusion as soon as possible" so that the father "might have a last look at his son on his deathbed." Sometimes she just sat there in the court of justice for a half a day saying, "I will not leave unless you solve the problem!"

For fear of hurting the feelings of Zhang's parents, some cadres of the prefecture and the city put aside the principle that all citizens are equal before the law and took care of the matter themselves by telling the court of justice that the person concerned was a veteran Red Army man, and proper consideration should be shown him because he was dying. After discussion, the judicial commission of the city people's court adopted the following decision: "The facts involved in the case are clear, and the evidence conclusive; he committed a crime and it is correct to deal with him according to law. Nonetheless, in view of the fact that the consequences are not too serious, and he himself has confessed, the original sentence was too severe;" "the original sentence is rescinded, and commuted to 7-years' imprisonment." When the Anshun prefectural intermediate court of justice received the report on commuting the sentence, they held that convict Zhang had already served a term of 6 and 1/2 years, and he would have to wait for another 11 months [as published] before he could be set free according to the 7-year sentence. But if he was given a 1-year reduced sentence he would be let out of prison right away. So the sentence was finally commuted to 6 years. And the net of justice was broken by human relationships.

#### "The Tiger Who Returned to the Mountain" Was All the More Fierce in Hurting People

While the Zhang family was most satisfied with the court's commuting of the sentence, the masses were indignant, fearing that "the tiger returning to the mountain" would do more harm to the people.



As expected, as soon as he was out of prison, convict Zhang went to his divorced wife and nagged her. During the day he would go there to eat and drink; and he would spend his nights there. Often he would climb the wall and enter her house through the window at midnight. When he himself remarried he would not permit his former wife to do so, and blackmailed the person who was courting her and wanted to marry her for a sum of 500 yuan. Moreover, just before he got remarried, he assaulted a young girl of only 11.

When Zhang Jinjun was released from prison he was assigned to work in the city grain bureau where his father used to work. For over 4 years he never did a proper day's work. In the masses' words, "he has never done any job seriously." Not only did he never work; he often disturbed normal work order, starting trouble, abusing and beating cadres and masses, and taking liberties with women; as a result, the unit was thrown into utter confusion. His colleagues were afraid of him and the leadership dared not do anything about him. Some leading members went so far as to plead to him, saying, "if you stop causing trouble and stay at home everyday, we will pay you just the same." For over 4 years he took his full wages and bonuses and not a cent less.

In Anshun City Zhang Jinjun was a notorious despot. In order to vent his dissatisfaction, he shouted reactionary slogans in the street right under the noses of the masses. He did not stop there; he tried to force a worker to follow suit, but was refused. Upon returning home, he met his younger sister at the door and forced her to shout the slogan. When she refused to do so, he gave her a good beating.

#### The Net of Justice Has a Large Mesh But It Lets Nothing Through

In the past he was thrice detained by public security organs, and thrice set free; this made him bolder and bolder and he slipped farther and farther along the road of crime, inflicting graver and graver injuries on society.

On the afternoon of 2 June 1982, Zhang Jinjun and others were drinking and being rowdy in the No. 1 public bath of Anshun. The public security men went in and stopped them. Zhang believed that Comrade Lai, who worked at the public bath, had summoned the security men. He, along with a few of his knife-wielding men, beat Comrade Lai till blood oozed from his mouth, his lips were swollen, and his back and left side were injured from kicking. The public security bureau took Zhang in custody.

On the evening of 8 January 1983, Zhang Jinjun and others were having a drink at somebody's house. A quarrel ensued and a fight broke out. When a policeman arrived, Zhang would not listen and beat up the policeman, seizing the latter's electric truncheon and gun. Zhang was again arrested.

On the evening of 8 June 1983, Zhang burst into the "Shi Yi Shi" restaurant next to the city Public Security Bureau after a drink, and beat, abused, and took liberties with the waitress there, and ended by smashing the glass counter with a wine bottle. Again he was arrested. Thrice he was held in custody and thrice he was set free by the public security organs; the political and law organs meant nothing to him. Shamelessly, he shouted in public: "Who doesn't know me, Zhang Dajun? The Public Security Bureau can do nothing to me. Even if I am given a death sentence I will still be set free."

"The net of justice has a large mesh but it lets nothing through." Inspired by the decision of the NPC Standing Committee on severely punishing criminals who commit grave crimes, the political and legal organs have straightened their backs and adopted powerful measures to arrest and bring Zhang Jinjun to justice; "the tiger returned to the mountain" and has once again fallen into the net of justice of the people, and he will be severely dealt with according to law.



For this, the masses give their praise but not without a sense of criticism, saying: "Well done! Such bad elements causing damage to society and such people should have been captured long ago!" We hope there will be no repetition of the performance of the play "Capture and Release of Cao Cao."

#### Commentator's Article

HK190804 Beijing RENMIN RIBAO in Chinese 12 Oct 83 p 4

[Commentator's article: "We Must Never Allow Human Relationships To Break the Legal Net"]

[Text] From the facts revealed in the article "'The Tiger Who Returned to the Mountain Has Fallen Into the Net of Justice Once Again," we can draw many profound lessons, the most important one being that we must never allow human relationships to break the net of justice; we must not allow the exercise of the law to fall under the influence of "relationships;" and it is imperative to ensure that "when there is a law it must be observed, we must be strict in exercising the law, and any action in violation of the law must be investigated and dealt with according to law," so that every citizen is equal before the law.

In the struggle to crack down on criminal activities, whether political, legal, and public security organs are able to ensure the equality of every citizen before the law is a matter of great concern among the broad masses. Zhang Jinjun had been in and out of the house of detention and prison several times, and threatened in public that even if he had been given a death sentence he would still be set free. That he should have talked so wildly was because he had mistakenly believed that so long as he played the card that his father had been a Red Army man, people would plead mercy for him and the law could do nothing to him. With human relationships breaking through the net of justice, the result of letting the tiger return to the mountain will be: the law of the state will lose its dignity; criminals will feel secure in the knowledge that they have strong backing; the people will suffer calamity; and there will be unrest in society. We should draw lessons from this. No matter who they are, no matter whose children or relatives they are, and no matter what "connections," "relationships," or "approaches" they have all should be resolutely handled in accordance with the law. Their cases should be dealt with based on the facts, with the law as the criterion, with no perverting of the law, and no connivance. It is necessary to vigorously correct malpractices among law-enforcers and be strict with law and discipline.

Executors of the law often come across a problem, namely, the pleading of mercy for somebody. For example, in giving consideration to reducing the penalty for Zhang Jinjun, was it not precisely because of his mother's excuse of allowing the criminal's father "to have a last look at his son on his deathbed" that someone acted out of his understanding of "the love of one's son" on the part of Zhang's mother? Therefore, the question arises of whether to safeguard the interests of the broad masses or to give consideration to satisfying the personal emotions of an individual or a certain family. Is it primary to understand the feelings of the injured or to sympathize with the "love for one's son" of the parents of a criminal? It is clear that to free a criminal not yet remolded will enable him to go on injuring more people, which will in turn cause unrest among more families. Is it not true that satisfying one mother's dotage will cause injury to more people, while mothers of injured people will feel pain at the injuries done to their children? At present, what worries the masses most is the restaging of the play "Capture and Release of Cao Cao," and conniving with criminals to do still more reckless injuries to the people. If our political, legal, and public security organs are able to mobilize the family members of criminals and all social forces to educate criminals to plead guilty and obey the law, and to remold themselves in earnest, it will be more advantageous to social stability, to safeguarding the family

happiness of the broad masses, and for the criminal to turn over a new leaf. This will also bring security to the criminal's family and be advantageous to inspiring the masses to fight against elements committing serious crimes.

To severely crack down on criminal activities causing serious damage to social security is a serious struggle. It is a tough test for every communist and every leading party cadre and an opportune moment to right the party's style and social atmosphere and to do away with all abnormal "nets of relationship." Let us promote a basic change for the better of the party's style, social atmosphere, and social order through this struggle.

#### RENMIN RIBAO CITES NEED FOR AUDIT, SUPERVISION

HK190335 Beijing RENMIN RIBAO in Chinese 15 Oct 83 p 1

[Commentator's article: "Establish an Authoritative Audit System"]

[Text] Not long ago the State Council established an audit office according to the provisions of the Constitution. Audit bureaus at various local levels are being established. This is an important measure for strengthening our financial and economic management and for perfecting the socialist legal system.

The audit system is an important modern means by which economic activities are managed and supervised. Lenin maintained that: "Audit and supervision constitute the principal conditions for regulating a communist society at its first stage in order that it can correctly carry out its work." Over a long period of time, comrades doing economic work have had little understanding of this "principal condition." During the 10 years of internal disorder, some effective supervision systems were flagrantly destroyed. Consequently a lot of the money and goods and materials which belonged to the state were stolen or wasted. The lesson is an extremely profound one. Facts have proven that, to base our economic work on science and to avoid possible mistakes and losses, it is necessary to pay close attention to audit and supervision in regard to ideology and organization.

In recent years our economic construction has been flourishing. However, under the new circumstances many problems have emerged. The most obvious ones are: that the funds for construction are scattered, the poor economic results in the spheres of production, construction, and circulation, a serious wastage in manpower and material and financial resources, and that quite a number of enterprises are suffering losses. In addition, the financial and economic discipline of many enterprises and departments is lax. The above problems are caused by many factors closely related to lax audit and supervision or even the absence of audit and supervision. Thus, whether from the viewpoint of the revitalized economy, the need to improve economic results, or the need to uphold financial and economic discipline, audit and supervision can only be strengthened, not weakened. Doubtless, it is both correct and necessary for financial departments to practice the system of eating from "different pots," to carry out "substitution of taxes for the delivery of profits," and to let the enterprises enjoy more decisionmaking power. However, there is still the problem of correctly handling the relationship between the interests of the state, the localities, and the enterprises. If an independent, authoritative audit system is established from the top all the way down to each level to supervise the finance of the enterprises and organs and to find out whether the financial incomes and expenses are correctly, legally, rationally, and effectively managed or not, the state's supervision over economic activities will be further strengthened. In addition we can, according to various economic regulations and laws, correctly handle the relationship between all parties and supervise and protect their legitimate rights and interests.

The key to the establishment of an authoritative audit system lies in the support and attention of governments at all levels.

The Constitution stipulates that, under the direction of the premier of the State Council, the auditing body independently exercises its power to supervise through auditing in accordance with the law. Thus, audit bureaus at local levels should carry out their work under the direct leadership of governors, mayors, and county heads. People's governments and departments at all levels should vigorously support the work of audit organs, which independently exercise their power to supervise through auditing in accordance with the law and which are subject to no interference by any other administrative organs or any public organization or individual.

The authoritative character of the audit organs should be formed through struggle. The audit personnel should be highly principled and have the courage to combat the unhealthy tendencies of violating financial and economic discipline, of employing trickery, and of seeking personal gains and gains for small groups. They should also have the courage to resist the pressure brought to bear on them by any party, whether they can correctly exercise the power of audit departments or not largely depends on the quality of the cadres. Governments at all levels, should staff audit organs with good leading bodies, train and foster, through work, audit cadres to become cadres who are devoted to their duties, who handle matters impartially, and who have a sound knowledge of their work, and promote to leading posts cadres who, in audit and supervision work, have the courage to adhere to principle and fear neither revenge nor attack. In this way, they can bear the important responsibilities entrusted to them by the state.

#### STATE ECONOMIC COMMISSION DISCUSSES PRODUCTION

HK190338 Beijing JINGJI RIBAO in Chinese 11 Oct 83 p 1

[Report by correspondent Wu Jiarong: "State Economic Commission Holds Meeting To Arrange Industrial Production Next Winter and Spring"]

[Text] On the afternoon of 10 October the State Economic Commission held a meeting on the work of industry, communications, and production, circulated a notice on the condition of economic results in industry, communications, and production for the January-September period and, for the sake of contributing to all-round fulfillment of this year's state plan, called on all districts and departments to arrange industrial production as well as communications and transportation for this winter and next spring centered on raising economic results.

The meeting pointed out that the industrial production situation for the first 9 months of this year has been good. Some 78.2 percent of the gross industrial output value projected for the year has been fulfilled, representing an increase of 10.1 percent compared with the corresponding period last year. Among the 100 kinds of principal industrial products, some 88 have shown increases compared with the corresponding period last year. Generally speaking, production and sales have steadily risen, targets for energy production as well as communications and transportation have been properly fulfilled, readjustment of product structure in light industry has been speeded up, both the production and marketing of principal raw materials and the processing industry have flourished, economic results have improved, and notable achievements have been made in making up deficits and increasing surpluses.

The meeting held that the outstanding problems in industry, communications, and production at present are: the quality of enterprises is not high, economic results are not ideal, and the overall situation in **communications** and transportation -- energy as well as principal raw materials -- is tense.

Lu Dong, vice minister of the State Economic Commission, made a speech at the meeting. He said that raising economic results is the outstanding problem at present.



First of all, it is necessary to have a clear understanding of the guiding ideology of raising economic results. From a long-term point of view, the growth rate of economic results in enterprises must be higher than the rate of production, or at least be in step, and enterprises must pay attention to refraining from unilaterally going after output value. Basically, three things must be done in raising economic results. 1) The taxable profit level must be raised; 2) quality must be improved product variety increased; and 3) consumption and costs must be lowered, and economy practiced. This can be mainly carried out in three ways. 1) grasp the work of consolidating, readjusting and improving the enterprises; 2) properly grasp trade management; and 3) pay close attention to macroeconomics.

Lu Dong pointed out: For the sake of making a success of production this winter and next spring and raising economic results, all State Council departments must succeed the following work: 1) Properly grasp the work of enterprise consolidation, so that the enterprises' work will shift to an orbit centered on raising economic results. We must properly grasp the leading bodies, let new leading bodies carry out enterprise consolidation, and combine the distribution of leading bodies with enterprise consolidation. 2) Pay close attention to making up deficits, for this is an important move in raising economic results. 3) Pay close attention to technological progress and to improving quality, and properly grasp the standard of replacement work. 4) Grasp properly the economic results of enterprises which have been put into production. 5) Departments and units in charge of production and benefit must be united, and must properly grasp the economic results of major enterprises together. 6) All departments from now on must set about studying the problem of how to carry out consolidation in accordance with the trade.

Ma Yi, vice minister of the State Economic Commission, made a speech at the meeting.

Zhao Weichen, vice minister of the State Economic Commission, circulated a notice on the situation in industry, communications, and production for the first 9 months of this year, and put forward this view on arranging industry, communications, and production this winter and next spring.

#### PEOPLE'S BANK PRESIDENT ON BANKING SYSTEM CHANGES

HK181511 Beijing JINGJI RIBAO in Chinese 12 Oct 83 p 1

[Report: "Lu Peijian, President of the Chinese People's Bank, Speaks of Functions of His Bank as a Central Bank"]

[Text] Recently Lu Peijian, president of the Chinese People's Bank, made a statement to reporters on the functions of his bank as a central bank and on the establishment of an industrial and commercial bank.

Lu Peijian said: When the People's Bank acts as a central bank, its function of managing the issuance of money throughout the country and regulating money circulation in the markets will remain unchanged. The renminbi remains the sole currency circulating in our country's markets. The strengthening of the People's Bank, which is now functioning as a central bank, can more effectively help to concentrate our financial resources. With greater power for deciding on overall monetary policies, the bank can strengthen its management over the issuance of currency and can better ensure the normal circulation of currency in the markets. All this is beneficial to stabilizing our currency and prices and ensuring the stability of the people's livelihood.

In the matter of how the People's Bank will strengthen its management over credit funds, Lu Peijian said: To maintain the credit balance, the People's Bank must have control of 40 to 50 percent of credit funds.



Credits advanced by other specialized banks must all be included in state credit plans, which are worked out by the headquarters of the People's Bank. If other banks need more credit funds than the limits prescribed by plans, they should apply for loans from local branches of the People's Bank or contract loans from other specialized banks. All domestic financial organizations authorized to handle foreign exchange loans and investments must submit their annual plans for foreign exchange loans and investments to the People's Bank for approval, on the basis of maintaining an overall balance.

Lu Peijian said: The newly established Industrial and Commercial Bank of China will take over the business of industrial and commercial loans and savings originally handled by the People's Bank. Loans for ordinary technical transformation projects which were originally handled by the Construction Bank will also be passed to the industrial and commercial banks. The Construction Bank will concentrate on handling appropriations and loans for capital construction and large-scale technical transformation projects. Loans for capital construction originally handled by the People's Bank will be transferred to the Construction Bank. After the council of the People's Bank is established, it will decide how to readjust the division of professional work among various specialized banks.

Reporters asked whether methods for handling savings deposits will be changed after this business is taken over by the Industrial and Commercial Bank. Lu Peijian answered: After taking over the business of receiving savings deposits from the People's Bank, the Industrial and Commercial Bank will follow all established regulations, methods, and interest rates laid down by the People's Bank. All procedures for depositing and withdrawing money will continue to be handled by local savings banks as usual.

#### DISMISSAL OF UNFIT CADRES BRINGS PRODUCTION RISE

OW181828 Beijing XINHUA in English 1618 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- Liaoning Province had by the end of August dismissed 148 factory leaders in 80 enterprises which were not making profits, according to an ECONOMIC DAILY report. Better economic performances have already been posted. Provincial industrial output value rose eight percent from January to September and the number of enterprises suffering losses was halved, the report says.

The provincial government began the weeding out process in the latter half of last year when more and more factories began to report deficits even though total industrial output value rose. Since then, 560 factories which were in the loss column have worked out plans to become profitable within a certain time limit. The 148 factory leaders who failed to end the long-standing deficit records of their enterprises were dismissed. New leaders were promoted and production losses have been reduced. The Liaoning Provincial Government has decided to command and award those new directors who continue to do a good job.

A short commentary appearing in today's ECONOMIC DAILY fully endorses the move taken by Liaoning Province. It says that many cadres are so incompetent that problems become piled up wherever they go. If they are not removed, the quality of enterprise management cannot be improved. The Finance Ministry and State Economic Commission have recently ordered all non-profitable industrial enterprises to cut their deficits by one-third this year. The petroleum and chemical industries are required to eliminate all losses before the end of the year.

BEIJING VICE MAYOR ON SELF-EMPLOYED HOUSEHOLDS

OW161029 Beijing XINHUA in English 0758 GMT 16 Oct 83

[Text] Beijing, October 16 (XINHUA) -- Beijing registered 24,000 self-employed households with 37,000 people in the first eight months of this year, bringing the total to 37,000 households or 53,000 people. This was disclosed by Sun Fuling, vice mayor of Beijing, in his report to the 6th session of the 8th Standing Committee of the municipal People's Congress, which closed here today. Scattered in all parts of the capital, most of the individual laborers are young job waiters in urban area and peasants in the suburbs of the city. Their business covers a wide range from repairing, retailing and food trade to handicrafts. The vice mayor said the self-employed individuals made up the shortage of service centers and were playing an important role in meeting the demand of people's life and production.

Sun Fuling told the meeting that self-employed Chong Li, a delegate to the municipal People's Congress, repaired bicycles for people day and night. Another individual model he mentioned was Wang Shuying, who made brushes for special use in factories, hospitals and scientific research units. He also commended quite a number of blacksmiths who made small farm tools for local peasants in the suburbs of the city. In addition to helping expand employment, Sun said, the individual business increased public accumulation and personal income. Between January and August this year, he said, the individual laborers paid 2.94 million yuan of taxes.

At present, Sun Fuling said, individual laborers in urban areas accounted for 0.37 percent of the population and those in rural areas, 1.94 percent of the working force. Statistics showed that China had a total of 1.47 million individual laborers by the end of 1982, 1.3 percent of the working force in cities and towns throughout the country.

At today's meeting, the vice mayor reaffirmed the policy of the government that to develop diverse economic forms with the publicly-owned sector as the dominant factor is a strategic principle China will follow in many years to come to develop its national economy.

Sun pointed out some individual laborers operated not at licensed places, causing traffic trouble and effecting city appearance. Some bought goods from state-owned shops and made illegal profit from reselling, which damaged consumers' interests.

In the last quarter of this year, Sun Fuling said, efforts would be made to ban non-licensed peddlers, check those licensed in price, business manner and source of goods, and give them further education on socialist ethics and legal system. For food traders, he said, special attention would be paid to check their hygiene conditions. Sun Fuling said associations had been set up by individual laborers on voluntary basis in 17 of the 19 districts and counties of the city. The organization undertakes such activities as organizing studies of the government's policies, laws and decrees, exchanging business experience among its members and reporting to government departments on problem in their production and business operations.

BEIJING PLANS TO BUILD NEW GAS PLANTS

OW180522 Beijing XINHUA in English 0209 GMT 18 Oct 83

[Text] Beijing, October 18 (XINHUA) -- A newly-expanded gas plant put into trial operation in east Beijing earlier this month will raise daily output from the present 100,000 cubic meters to 400,000 cubic meters by the end of this year, according to city authorities today.

A new gas plant to be completed next year at the Capital Iron and Steel Company in west Beijing will provide the city with an additional 240,000 cubic meters of gas daily. New catalytic cracking equipment which will go on stream at the Yanshan General Petrochemical Corporation in southwest Beijing in the first half of next year will have an annual output of 20,000 tons of liquified gas. These projects will be able to provide gas for 250,000 households and are part of the effort to change from coal to gas in Beijing and reduce pollution. At present, 65 percent of the households in the capital use gas or liquified gas for cooking, others use coal.

Beijing will also build a plant with a daily output of two million cubic meters of gas. Gas experts are studying the possibility of piping natural gas from other parts of north China to the capital.

#### JINGJI RIBAO INVESTIGATES HEBEI BLACK MARKET

HK181134 Beijing JINGJI RIBAO in Chinese 5 Oct 83 p 1

[Report by JINGJI RIBAO reporters Wang Li, Song Honggang, and Xu Haifan: "The Black Market in the Sunshine -- What We See and Hear in the 'Iron and Steel Market' in Renqiu County, Hebei Province"]

[Text] In recent years there has emerged an "iron and steel market," on a considerable scale, in the suburbs of Renqiu County, Hebei Province. Some people say that this is a place where lawless people gather and publicly dispose of their stolen petroleum goods. Others hold that it is a normal trading market. Local people say that whatever is available in the oil fields can be purchased on the local market.

This "iron and steel market" opens on the first and sixth day of every month of the lunar calendar. In order to discover the actual situation, on the morning of 17 September (11th day of the 8th month of the lunar calendar), we went to Xihuancheng Road, which is 10 li from Renqiu County, accompanied by two comrades of the oil fields headquarters. The "iron and steel market" is located on both sides of the road, which is about 20 meters wide and 1 1/2 km long. Some 2,000 to 3,000 people gathered here, bustling about on the crowded road.

All sorts of materials and goods were placed on both sides of the road, most of which were steel products. Steel tubes and angle iron of different sizes could be found everywhere. Even the 9-meter-long steel tubes, with a diameter of 20 millimeters, which are used for well drilling, were placed on the side of the road for sale. There were also other goods for sale, such as: three cone bits, casing pipes, and fuse wire taken from drilling machines; shafts taken from oil-pumping units; pressure meters for testing pressure; large and small valves taken from petroleum pipelines; felt for protecting pipelines; large bundles of brand new coil rope; coils of electric cables; rolls of asphalt felt; and motors and switchboards taken from machines. In addition, there were also wrenches, pincers, hoisting jacks, and other production tools; and safety helmets, gloves, and other labor insurance materials. According to our rough estimate, there were more than 100 varieties of goods and materials sold in the market, of which steel products amounts to over 200 tons. It seemed as if it was part of the warehouse of the north China oil fields. It is by no means inaccurate to say that "whatever is available in the oil fields can be purchased at the local market."

We found out that most of the peddlers of the "iron and steel market" were peasants of Renqiu County. There were also others from Yongqing, Xiongxian, Baxian, Hejian, and other counties. Some peddlers arrive there the evening before market day and use wire and straw sticks to take a good place for their stalls. Some of the large materials, such as steel products, are transported by tractors a day before the market day.



In the market, some peddlers engage in petty calculations and bargain without scruples. It is quite obvious that many of the goods are production materials of the oil fields, yet the peddlers openly and unabashedly sell them. One of the peddlers had different sizes of pressure meters, valves, coir rope, switchboards, and other goods. One of the comrades of the oil fields who accompanied us pointed at a brand new pressure meter and asked: "How much is this?" The peddler answered: "3 yuan." "This pressure meter costs 60 to 70 yuan," said the comrade. When the peddler heard this, he bowed his head and had nothing to say. The fact that the sellers know nothing about their goods and are even willing to do unprofitable business shows that these goods are of questionable origin.

There were some driving belts at the stall of another peddler, which reminded us of the state of affairs we saw the day before in the oil production field: There was only one leather belt on the motor of the pumping unit, which was driving the heavy loaded engine. The responsible comrade told us: This oil production crew has 17 oil extraction machines and almost all the leather belts of all machines are stolen." He told us: This crew loses 500 leather belts every year, which causes a loss of more than 5,000 yuan. We also discovered that the pressure meters and some small machine parts were taken away from the pumping unit and the cement pillars and wire netting were all looted. In the oil extraction site, we also saw that the cloth covering of the oil pipelines was torn off, while the inside felt was stolen. In the market, however, leather belts, pressure meters, machine parts of oil pumping units, felt, and other materials could be seen everywhere.

There were also some peddlers of the "iron and steel market" who cut the expensive seamless steel tubes into several parts and also cut the drill rods, which cost several hundred yuan each, into two parts and sold them at the price of some 10 yuan or scores of yuan to the people to make hand carts and build houses.

We asked some of the peddlers about the source of their goods. Some said: "We bought them." But they could not provide any evidence. Some said that the goods were given to them by other people. When the names of these people were asked for, the answer was: "We did not know each other." It was so ridiculous that even when we asked one peddler: "Where did you get that pile of pipelines," he answered: "I made them myself." The idea that an individual has the ability to make steel pipes and even seamless steel tubes is really strange talk which no one could believe.

The comrades of the oil fields told us that this "iron and steel market" was once a scrap market in previous years, which did not attract any attention. The peddlers came here and sold only scrap iron and ragged clothes. Beginning with the construction of the north China oil fields in 1976, business became brisk here. Large amounts of iron and steel trading also started. The more stealing and looting cases which occurred in the oil fields, the more thriving was the "iron and steel market." Because there was a great variety of materials sold in the market and, what is more, the concerned departments did not exercise strict control, the scale of the market became larger and larger and was known far and wide. Some people regarded it as the "first and largest iron and steel market in north China."

What we saw and heard in the "iron and steel market" is enough to shock the people. It has provided a shelter for lawless elements to dispose of the goods they stole and looted from the oil fields. While the activity of attacking crimes in the economic fields is being carried on in depth, why is it that the concerned departments of Renqiu County have turned a blind eye to this place, which shelters evil people and sanctions evil practices? Where is your sense of responsibility?



HEBEI'S GAO YANG CONGRATULATES WORKERS' NEWSPAPER

HK190320 Shijiazhuang HEBEI RIBAO in Chinese 1 Oct 83 p 1

[Report by Song Shouyu: "Comrade Gao Yang Writes an Article for the First Issue of HEBEI CONGREN BAO"]

[Text] The first workers newspaper in our province -- HEBEI CONGREN BAO [HEBEI WORKERS NEWSPAPER] -- started publication on 1 October, National Day. Gao Yang, first secretary of the provincial CPC Committee, wrote an article entitled "Congratulations and Expectations" for the first issue of the newspaper.

In his article Comrade Gao Yang said: Beginning today, HEBEI CONGREN BAO is available to readers. This is worth congratulations. The publication of a newspaper is equal to the erection of a standard. The working class of our province is shouldering the important task of revitalizing Hebei. HEBEI CONGREN BAO should act as a classroom for workers throughout the province in their studies, as ties to consolidate their unity, and as a combat bugle.

Comrade Gao Yang also hoped that the newspaper will give correct publicity to the party's line, principles, and policies; spread scientific and cultural knowledge to improve the quality of the ranks of workers; report on workers' work and life and reflect their views and demands; carry more articles written by workers themselves and give play to the workers in journalistic work; cultivate a simple style of writing; expose actual problems, issue no empty remarks, point out current failings, and encourage new prevailing habits and practice in society.

Comrade Gao Yang said he hoped HEBEI CONGREN BAO would become a friend of the workers in their workshops, classrooms, clubs, and dormitories.

SHANXI DISCIPLINE INSPECTION MEETING CONCLUDES

HK170159 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 14 Oct 83

[Summary] A provincial conference on discipline inspection concluded in Taiyuan on 13 October. The meeting decided on specific steps for hearing cases, handling people's letters and visits, and investigating cadre housing anomalies in the province. Zhu Weihua, first secretary of the provincial Discipline Inspection Committee, attended the meeting and spoke. (Zhao Weiji), deputy secretary of the committee, delivered a summation.

"The participants seriously studied the communique of the 2d Plenary Session of the 12th Central Committee and the central decision on party rectification. Encouraged by this, they unanimously pledged to seriously study the documents on party rectification and actively take part in party rectification, and make contributions toward the victorious fulfillment of this great task."

The meeting held: "The central decision on party rectification is a powerful weapon for doing a good job in all work. With the decision as the motive force, we must correct the party work style, and do a good job in hearing cases, dealing with people's letters and visits, and investigating cadre anomalies."

The meeting stressed: "The main reason why problems of backlogged cases, long-standing, great, and difficult cases, and untouched corners in investigation of cadre housing anomalies have not been solved well in some units and places is that the leadership groups of the party committees and discipline inspection committees there are weak and ineffective and dare not tackle tough problems."

"Party committees and discipline inspection committees at all levels must seriously study the 'Selected Works of Deng Xiaoping' and the Central Committee decision on party rectification, actively popularize the experiences created by the work group of the Central Discipline Inspection Commission in Yuncheng Prefecture, take the decision on party rectification as the weapon, seriously contrast the party committees in its light, resolutely overcome the phenomena of weakness, laxity, and slack discipline in enforcing party discipline, dare to tackle and take charge of problems, and struggle to bring about a fundamental turn for the better in party work style."

#### SHANXI SUPPLY, MARKETING REFORM ACHIEVES RESULTS

HK190603 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 18 Oct 83

[Text] In our province, positive results have been achieved in the structural reform of the supply and marketing system. The tasks in structural reform have been initially accomplished regarding supply and marketing cooperatives in various counties, cities, and prefectures as well as at the basic levels. The provincial associated cooperative of supply and marketing cooperatives will be established soon.

At the beginning of the 1950's, the supply and marketing cooperatives of our province maintained a very close relationship with the peasants. They undertook to purchase agricultural and sideline products for the state, marketed these products for the peasants, promoted sales of industrial products sent to the countryside by the state, and strove to organize the supply of materials to satisfy the needs of the peasants in their production and daily life. Later on, because the supply and marketing cooperatives were changed to commercial units under the system of ownership by the whole people, their mass relations, democracy in management, and flexibility in operation were gradually weakened, and their relationship with the peasants became estranged.

After the 3d Plenary Session of the 11th CPC Central Committee, in accordance with the practical situation in rural commerce, our party set forth its view of reforming the system of the supply and marketing cooperatives and of reestablishing the nature of cooperative commerce, which was welcomed by the peasants. Up to the end of September this year, the task of reform had been initially accomplished in more than 1,800 supply and marketing cooperatives at the rural basic levels, which accounted for 99 percent of the total number of supply and marketing cooperatives in the rural areas in the province. Associated cooperatives of supply and marketing cooperatives have been set up in 105 counties, cities, and prefectures, which accounted for 96 percent of the supply and marketing cooperatives at the county level.

In the course of the reform, peasants have been active in purchasing shares, supporting the reform of the supply and marketing cooperatives with great enthusiasm. According to statistics, the number of households buying shares has reached more than 4.42 million, 88 percent of the total number in the province. The amount of money involved reaches 37 million yuan, which accounts for over 20 percent of the free-flowing funds of the supply and marketing cooperatives.

#### TIANJIN ARTICLE URGES SEVERE BLOWS TO HOOLIGANS

SK171310 Tianjin TIANJIN RIBAO in Chinese 25 Sep 83 p 1

[Commentator's article: "Deal Severe Blows to Hooligan Gangs"]

[Excerpt] Yesterday the Tianjin Municipal Intermediate People's Court strictly and promptly sentenced 14 archcriminals of hooligan gangs to death. The execution of these chief criminals of hooligan gangs, who had committed numerous crimes and earned the bitter hatred of the people, conformed to the state law and the people's will, and therefore won the applause and cheers of the masses.

At present, our municipality indeed has a group of hooligan gangs similar to the red or blue gangs of old China and the capitalist underworld. Persons escaped from transformation or education through labor programs and recidivists once punished by our organs of dictatorships are the key members of the hooligan gangs. They get together with local riffraff and black sheep to act against the innocent masses and savagely commit numerous crimes with fierce and cruel means. They commit all manner of crimes in broad daylight and in the still of the night, armed gang fighting, looting, killing, and committing arson, robbery, theft and rape. The criminal activities of these criminals seriously endangers the people's lives and property, effects social stability, impairs normal production, work and social order, and undermines the socialist economic construction. It is the masses' strong will to deal severe blows to criminal offenses, eliminate evil and bring about, as soon as possible, a fundamental turn for the better in public security.

Serious criminal offenses are an important manifestation of class struggle under socialist conditions. Many unearthed hooligan gangs have a pronounced political color. Members of these gangs are both criminals and counterrevolutionaries, and many of them used to be smash-and-grabbers. Therefore, we can see that these hooligan gangs are new dregs of society produced under new historical conditions, and an antisocialist hostile force. The contradiction between them and the masses is the contradiction between enemies and ourselves, and the struggle against them is a class struggle in the political field.

The sabotage activities of the hooligan gangs have brought great harm to the state and the people and have aroused the bitter hatred of the masses. In the current struggle to deal severe blows to criminal offenses, dealing blows to hooligan gangs should be regarded as an important content. Procuratorial, judicial, and public security organs should adopt resolute measures to attack them whenever they are exposed and thoroughly destroy them without leaving a single element untouched.

#### CPPCC MEMBERS END INSPECTION TOUR OF TIANJIN

OW141349 Beijing XINHUA Domestic Service in Chinese 0904 GMT 13 Oct 83

[By reporter Lu Zhihong]

[Text] Tianjin, 13 Oct (XINHUA) -- Some 100 CPPCC National Committee members led by Vice Chairman Hu Ziang, Qian Changzhao, Dong Qiwu, Zhou Peiyuan, Zhao Puchu, and Qu Wu ended their one-week inspection tour of Tianjin and returned to Beijing today. This was the largest inspection group of the CPPCC National Committee to visit places outside Beijing since the smashing of the "gang of four." Most members of the inspection group were newly elected members of the Sixth CPPCC National Committee.

While in Tianjin, the group visited the project of diverting Luan He water to Tianjin, Tianjin heavy-duty machinery plant, Tianjin radio plant, Tianjin kinescope plant, the new Tianjin port, the port shipyard, and Tianjin petrochemical fiber general plant.

Members spoke highly of the hard-working pioneering spirit and the scientific approach displayed by the soldiers and people of Tianjin in building the project of diverting Luan He water to the city. They also expressed satisfaction over Tianjin's achievements in recent years. Some members raised constructive proposals on ways to further improve enterprise management and raise economic returns.



LIAONING STRESSES ATTENTION TO PEOPLE'S PETITIONS

SK161329 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 15 Oct 83

[Text] According to our reporter (Wang Shizeng), the provincial forum on work to examine cases and deal with people's petitions and visits concluded this afternoon. The forum stressed that a good job should be done in examining cases and dealing with people's petitions and visits in line with the principle of straightening out party style.

The forum pointed out: The party's discipline is to ensure that party member cadres and party members strictly implement the line, principles, and tasks set forth by the CPC Central Committee. Therefore, stress laid on the current work to examine cases is to deal with cases of opposition to the party's line, principles, policies, resolutions, and the four basic principles, and to deal with cases of violating organizational discipline. Efforts should be made to vigorously deal with cases of party members who have committed serious economic crimes. Cases that have been lightly dealt with, in which convicts have adopted bad attitudes toward settlement and that have given rise to the people's great complaints, should be reexamined and dealt with again. Cases in which party members have sought private gains by taking advantage of their power, position, and work should be dealt with earnestly. In dealing blows to criminals, it is necessary to strictly deal with the cases of seeking private gains by despising the law and harboring evildoers. Meanwhile, it is necessary to continuously reexamine cases from the past in an effort to start well and end well.

In examining cases, it is imperative to uphold the principle of seeking truth from facts. In line with the principle in which everyone is equal before discipline, party members no matter how high their position, how long they have been members, and how great their achievements, should be sternly punished as long as they have violated discipline.

The forum pointed out: As for questions raised by the people in their petitions and visits, party committees and discipline inspection commissions at all levels should study and deal with them in a timely manner. Meanwhile, they should urge and guide departments concerned to earnestly conduct investigations to achieve concrete results in every case. It is necessary to dare to tackle cases in leading organs at all levels, to dare to investigate cases of leading cadres at all levels, to dare to block the malpractice of pleading for mercy and giving unprincipled protection, and to dare to struggle against the erroneous words and deeds that have hindered investigation and inspection. Cases where a verdict has been long put off should be earnestly checked. Party organizations that have not brought in verdicts in their cases for a long time and have not reported reasons to the authorities should be investigated for responsibility in delays. Efforts should be made to protect accused persons. Those who have attacked accused persons should be punished according to law. Those who have created chaos and false charges and have wilfully made troubles by taking advantage of sending petitions and paying petition visits should be sternly dealt with.

LIAONING'S FUSHAN STEEL PLANT BEGINS 'RECONSOLIDATION'

HK180832 Beijing RENMIN RIBAO in Chinese 10 Oct 83 p 2

[Article by reporters Wang Lijiang and Zhou Baohua: "Lessons Learned From Fushan Steel Plant"]

[Text] Not long ago the Liaoning Provincial People's Government announced that the Fushan steel works, which was under chaotic management and displayed declining economic results, had 3 months to carry out reconsolidation. If such reconsolidation work was not carried out, the plant's certificate of inspection would be revoked, wages would be lowered, and the main plant leaders would lose their jobs.



This decision met with a fierce reaction from the Fushan steel plant. The Fushan steel plant is a famous and advanced enterprise in Fushan and is considered an important component of the entire national metallurgy system. In April this year the responsible cadre for the plant financial department traveled the enormous distance to Sichuan Province to give speeches and hold discussions on the plant's experiences in "factory cost accounting," with a view to promoting this kind of accounting. Now that the plant has been ordered to carry out consolidation once again, many people are astonished and are even wondering if this is or is not in fact a fault of the plant.

Why has the Liaoning Provincial People's Government ordered the plant to carry out consolidation once again? Our reporters went to Liaoning Province, Fushan City, and the relevant departments there to investigate this very question.

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The impression of Fushan steel plant that we received was as follows: There was a very concrete foundation for work in every area due to the hard work and efforts of the workers, while there were also some work methods which other factories and plants would do well to examine and study. However, there were many problems in management in the Fushan steel plant and this affected improvements in the enterprise's results. During enterprise consolidation last year, the fact that some people were only paying lip service to the call for consolidation meant that many problems were covered up and the plant only went through the motions of carrying out consolidation.

When one compares the first 6 months of this year with the same period last year at Fushan steel plant, steel output is seen to have risen by 53.76 percent, while product sales and marketing has risen by 49.35 percent, and the proportion of expensive alloy steel in total output has risen by 13 percent. The strange thing is that production value and output have both increased by so much and yet real profits have actually fallen 53.5 percent. On the basis of information produced in July by an investigation team comprised of the city party committee, the Financial Department, and the local branch of the People's Bank, the main reasons for these discrepancies are chaotic enterprise management, in addition to increased prices in raw materials, decreased prices of products, and other objective factors.

We came to understand certain aspects of the financial management of this plant. Last year the plant spent 8.28 million yuan on purchasing high-priced oil to generate electricity and yet the financial department only recorded in its accounts an expenditure of 2.98 million yuan. The enterprise's production costs were no longer realistic and profits appeared to increase. There were 26 incorrectly recorded entries in the accounts for production cost product sales, making profits appear to be 1.45 million yuan higher than they actually were. The real profits announced for 1982 were in actual fact exaggerated. In order to achieve the task of handing over to the authorities the necessary profits from the falsely increased profits, the plant made loans from external sources, including a loan of 3 million yuan from the People's Bank, using "borrowed money" for their profits. By "eating next year's food" the enterprise found itself with an enormous deficit at the end of last year and was forced to shift to this year to cover the deficit.

Incorrect financial entries in the accounts were not uncommon at Fushan steel plant. When turnover was insufficient to provide for workers wages, the plant financial department wrote letters and sent cables to the relevant work units, urging them to pay for their goods, and one enterprise wrote back saying that they had finished clearing up their accounts a long time ago. Only after investigations were carried out was it discovered that they had forgotten to enter the figures.

Because of mistakes which appeared when the goods expedition forms were filled in, by April of this year non-payment to customers had already reached 800,000 yuan. Towards the end of the month most of those working in the financial department usually put in extra hours and some of the women workers with very young children, who were still being nursed, would take accounts home to work on them. Because of the chaotic state of the financial department it was very difficult to avoid incorrect balancing of accurate accounts or accurate balancing of false accounts. By the time the factory was on the verge of having everything revealed, the head of the financial department was still unsure of the reasons for the chaos.

The Fushan steel plant did not have a shortage of talented accountants and the deputy chief accountant of the factory is publically considered an expert in accounting. Everyone says that he is very experienced in his work, but for a long time he has only been able to work under the orders and leadership of the head of the financial department and has been unable to give full play to his potential. Later he was relocated within the plant to carry out general accounting duties which any average accountant could have done.

The Fushan steel plant's amount of stored goods and materials stands at 68 million yuan, 60 percent of which are large amounts of costly raw materials. These materials are not well looked after and they have been deposited very unscientifically. Not only is the consumption of goods and materials not reflected on paper, but what frequently happens is that certain things cannot be located when they are being searched for and the plant is forced to register "inventory losses" on paper. (Do these "inventory losses" explain everything? Are there not still some secrets? Is there not still a fish in troubled water somewhere in all this? -- editor's note) "Four inventories on four amounts" from the beginning of April until the beginning of July this year illustrate the problem very clearly. The first time there was a statement of 9.89 million yuan of checking losses of goods and materials. The second time this was reduced to 5.55 million yuan. The third time it was entered as losses of 2.06 million yuan, and the fourth time it fell to 1.19 million yuan. The first check is seen to be eight times the fourth check! The disparity is enormous and very startling.

In the Fushan steel plant management disorganization was evident in many different ways. At the beginning of this year the management department announced that it wanted to maintain the figure of 50 million yuan to be handed over to the state in the form of profits. Two months later this figure suddenly dropped to 10.05 million yuan. After yet another 2 months the figure was once again set at 25 million yuan. At the beginning of February it was announced that 13 different economic targets and indexes were to be put together for joint accounting and if any one item was not completed then deductions would be made for the entire month's bonuses. Two weeks later several targets were not reached for a variety of objective reasons and this affected the completion of other targets. All of this clearly shows how the leaders of the enterprise were unsure of themselves.

## II

If the Fushan steel plant's management was in such chaos, why was the plant issued with an inspection certificate? Some comrades say that the Fushan steel plant "carried out a total mobilization in the factory and dealt with the inspection team so that when the certificate was in their hands, everyone received a bonus." This is really going a bit too far, but, nevertheless, the Fushan steel plant did indeed put a lot of thought into their dealings with the inspection team.

When the authorities came to carry out the inspection, the Fushan steel plant was indeed underhanded in its actions. They sent specialists to the Fushan petrochemical plant No 2, which was visited by the inspection team beforehand, and demanded all of their inspection material and information and, using this information as a model, they organized their forces and wrote 30 copies of a 200,000 word special report. This material was repeatedly polished up by the plant foreman and things which were in fact only partially finished were said to be completely finished, while things which had just been begun were said to have been achieved. Other things which were not being done, were never planned to be done, and even various problems, were all included in the report as successful achievements.

Below are some extracts from the 200,000 word fake report:

Concerning financial management and administration they wrote: "All cost expenditures have basically reached a situation in which 'at the beginning of the month plans are drawn up, during the middle of the month forecasts are made, and at the end of the month an analysis is made.'"

Concerning the management of goods and materials they wrote: "We have now expanded and developed from simple guarantees of supply to an overall consideration of economic results in which supply is good, turnover fast, consumption low, and costs economically organized."

As far as the overall management of the enterprise was concerned, they summed up the situation by saying "in accordance with the demands of socialized large-scale production, a network responsibility system has been set up throughout the whole plant linking the upper levels and the lower, coordinating the internal and the external, and joining the vertical with the horizontal. In this way all work in the plant is focused on improving economic results and takes scientific management as its objective."

There was an enormous discrepancy between the report details and the actual situation in the enterprise, which left people dumbstruck. This was not merely a problem related to the style of those involved in writing the report, rather it reflects problems of work style and ideology of some of the leaders in the Fushan steel plant.

### III

Of course, the Fushan steel plant's actions of merely going through the motions of enterprise consolidation and the responsibility for it cannot be placed totally on the newly appointed leadership groups. Some workers at Fushan said frankly, "Why didn't the grassroots investigation group keep a proper check on things? Why didn't the inspection team keep a proper check on things?"

It is not hard to answer these questions. The pretense of consolidation is directly related to the ideological work style of those staying at grassroots level to gain experience. In implementing the decisions of the central authorities and the State Council concerning the implementation of all-round enterprise consolidation, they did not accurately fulfill their role as advisers. As for the inspection team, they were even more at fault in not seeking truth from facts.

The Fushan consolidation inspection work took place during the middle of December last year. The urban enterprise consolidation leadership group sent an inspection team made up of 75 people to spend 5 days at the Fushan steel plant. According to the written material presented by the inspection team, they carried out their "on the basis of high standards, strict requirements, and with a view to seeking truth from fact." Apparently they spent 2 days listening to the reports of the plant leaders and various departments. Later they split up into 16 groups and spent 2 days "probing deeply into the 16 administrative and technical offices, 13 workshops, 437 workshop sections and work teams, and 264 production stations...and carrying out on-the-spot investigations."



This simply wasn't possible. The fact that the Fushan steel plant occupies a total area of 480,000 square meters means that in order to visit all those units within 2 days they would only have gained a fleeting understanding, if that, of each unit.

## IV

The pretense of, or rather, apparent consolidation and inspection work at the Fushan steel plant had some very serious results. If all enterprises consolidated like this one, one wonders what the hopes and expectations of the enterprises really are!

This pretense and lip service is something that some comrades were used to in the past. This event is a real "cop-out" for some of the leaders of Fushan and they should have the courage to admit this.

Apart from the errors arising out of the chaotic organization of the financial department, were the false increases in profits registered for Fushan last year related to the implementation at that time of the system whereby a factory could deduct percentages for excess profits? Questions such as these should also be examined in depth.

After the publication in newspapers of the Liaoning Provincial People's Government's decision concerning the reconsolidation work which Fushan should carry out, the Fushan steel plant party committee convened and enlarged party meeting. From what we have been able to gather from our contacts among comrades working at Fushan in many different areas of the plant, party cadres and engineers and technicians at the plant will be able to correctly handle the provincial government's decision after reviewing and analyzing the problems related to the plant's consolidation work. We very much hope that they will carry out consolidation successfully this time around.

NINGXIA CONFERENCE STRESSES COMBATING ECONOMIC CRIME

HK181202 Yinchuan NINGXIA RIBAO in Chinese 30 Sep 83 p 1

[Report: "Sum Up Experience, Adopt Effective Measures, Strive for the Success of the Struggle"]

[Text] The Discipline Inspection Committee of the regional CPC held a regional conference from 26 to 28 September on the work of hitting at serious economic crimes. The conference stressed that we must conscientiously sum up experience and strengthen our leadership over this struggle; we must make unremitting efforts, adopt effective measures to eliminate "untouched political spots" and "unleavened dough," and grasp well the struggle against serious economic crimes in organizations at and above regional and prefectural (city) levels and those directly under central authorities, as well as enterprises and institutions at and above county level; we must severely and quickly hit at, according to law, those criminals who have committed serious economic crimes which endanger the socialist modernization cause, so as to ensure the in-depth development of the struggle.

Hao Tingzao, deputy secretary of the regional CPC Committee, attended the conference and delivered a speech. Wen Lichuan, secretary of the regional Discipline Inspection Committee, conveyed the spirit of the national conference on the work of hitting at serious economic crimes.

The conference held that under the leadership of the regional CPC Committee and the Central Discipline Inspection Commission, the region has achieved specific successes in the struggle of hitting at serious economic crimes for more than a year. The implementation of this struggle has not only punished a number of criminals who committed serious economic crimes, punctured their arrogance, checked serious crimes which were rampant in the past, such as smuggling, corruption, and stealing state properties as their own, but also has educated the cadres and the masses and strengthened the capability of cadres and masses to resist the corrosion of capitalist ideology. These play a positive role in promoting a better turn in the party spirit and the general mood of society, and in ensuring smooth progress of the four modernizations. At the same time, the conference pointed out that some problems still exist amidst this struggle: The struggle of hitting at serious crimes has been carried out slowly or has not yet been totally and conscientiously carried out in quite a number of enterprises and institutions at and above regional and prefectural (city) levels or those which are directly under the central authorities. Some localities and units have developed to varying degrees the fear of difficulty and laxity, a wait-and-see attitude, and winding up the work on hand. We have been treating leniently those criminals who committed serious economic crimes, have not done our best, and have not been strict enough while handling work. These problems will directly affect the in-depth development of this struggle.

In order to conscientiously act according to the direction of the CPC Central Committee on severely and quickly hitting at serious economic crimes, and in the spirit of the work conference of the Central Discipline Inspection Commission, as well as persistently doing well the present struggle, the conference urged all party committees at all levels to conscientiously carry out a review and summing-up on the work of hitting at economic crimes. The committees have to integrate ideology with reality, resolutely solve the problems of a weak and lax mood and leniency, overcome the fear of difficulty and slack mood, and rectify the erroneous thinking and understanding which are unfavorable for the in-depth development of this struggle. Units which have done quite well in the work must overcome the thinking of "that's good enough." They should pay attention to and explore new cases and leads.

Units which have done mediocre work must proceed from the guiding ideology, investigate and find out the cause so as to catch up with others by adopting measures. For units which still have not yet started their work, their leaders should quickly wake up and try to catch up as much as possible with the strategic planning of the CPC Central Committee. We must act according to law, sentence those criminals who deserve to be sentenced, and severely punish them if they deserve severe punishment. By no means must we treat them leniently. We must establish an explicit responsibility system on the work of hitting at serious economic crimes. We must grasp the key point and concentrate our efforts to investigate and handle major cases as soon as possible, and severely and quickly punish the criminals who committed serious economic crimes. We must strengthen the special leading core and the working body as soon as possible. We must establish strict systems in inspection, report and criticism, and appraising. We must promptly announce and appraise those departments and units which have done good work; we must announce and criticize those departments and units which take slow action and have not created a situation after stalling for a long time, and we must order them to create a situation within a fixed time; we must investigate and affix responsibility of, strictly handle, and never over-leniently treat those leaders who refuse to carry out the work, or who harbor and put criminals in important posts, and plead for them.

The conference was attended by secretaries of all prefectural and city CPC committees which are in charge of the work of hitting at economic crimes, secretaries of all prefectural, city, and county (district) discipline inspection committees, chief responsible persons of various departments directly under the regional authorities, responsible comrades from the regional committee for political and legal affairs and judicial and public security organs, cadres at officer level who are familiar with the work of hitting at economic crimes, and secretaries of CPC committees in industrial, communications, financial, and trading enterprises and institutions at and above county level or under the regional authorities.

#### QINGHAI GOVERNOR VIEWS ECONOMIC DEVELOPMENT PLANS

HK180856 Beijing ZHONGGUO XINWEN SHE in Chinese 0102 GMT 18 Oct 83

[Report by Chen Dawei]

[Text] Xining, 18 Oct (ZHONGGUO XINWEN SHE) -- The 64-year-old Qinghai Provincial Governor Huang Jingbo is an energetic and ambitious leader. This reporter was invited to interview him at a time when he had occupied the position of Qinghai governor for exactly 1 year.

#### Return From Hong Kong

As we met, Governor Huang delightedly talked with me about the Qinghai provincial export commodities exhibition held in Hong Kong not long ago. He said: "Not many commodities were displayed in the exhibition, so the volume of transactions was not enormous. But a total of 80,000 people visited our exhibition and some tens of companies sent congratulations on the opening of the exhibition through the newspaper, which shows that Qinghai's resources and products were very attractive."

#### He Has Been in Charge of Qinghai for 1 Year

Huang Jingbo was Guangdong provincial vice governor for 5 years and has been in charge of Qinghai for only 1 year. But his words were permeated with his love for Qinghai.

"Could you tell me what you think after coming to Qinghai?" asked this reporter.



After thinking for a while, Governor Huang replied: "After I came here to assume office last year, I spent 3 months traveling around the whole province and learned quite a lot. In particular, I had a concrete understanding of the province's abundant natural resources. In the eyes of ordinary people, Qinghai is a poor, backward, and desolate barren land. As a matter of fact, Qinghai is full of treasures and is very rich in natural resources. Provided we have the spirit of doing pioneering work and are resolved to exploit precious deposits, Qinghai's economy will develop very rapidly in a short time and the present poverty will be changed into richness."

#### A Grand Construction Plan

While talking about tentative ideas on Qinghai's future economy and social development strategy, the governor was very excited. He told this reporter: "While inspecting and visiting Qinghai Province in late July this year, General Secretary Hu Yaobang announced that the focus of our country's economic construction will be shifted to the northwestern areas at the end of this century and in the beginning of the next. He also asked us to make preparations and to create conditions for this shift. We are now working out plans according to the decision of the central leadership. According to our tentative ideas, in the 1980's we will mainly develop agriculture, animal husbandry, energy, transportation, and basic industry, strengthen the exploration of geological and mineral resources, and speed up the training of scientific and technological personnel. In the 1990's we will make various further preparations for the massive exploitation of Qinghai."

Huang Jingbo told this reporter: "During the Sixth 5-year Plan, the state's priority projects in Qinghai Province will include the Longyangxia hydropower station, the rebuilding of the Qinghai-Xizang highway, the Qinghai-Xizang railroad, the Xitieshan lead and zinc mine, the Qinghai aluminum factory, and the Qinghai potash fertilizer plant. The construction of these priority projects will vigorously promote the massive exploitation of Qinghai Province. Therefore, we will pay special attention to them while considering future economic development."

#### Employ People With Lofty Ideals

Governor Huang Jingbo confessed freely the difficulty he has met, saying: "According to the requirement for the massive exploitation of Qinghai, what we lack most at present is talented people and funds. To resolve the difficulty of lacking talented people, we will, while making great efforts in cultivating them in our province, work out methods to employ some scientific and technological personnel from scientifically and culturally developed provinces to come here to help build Qinghai. As for funds, we will, on the one hand, strive for support and assistance from the central authorities and, on the other hand, adopt appropriate methods to absorb funds from other provinces and foreign countries to carry out the exploitation."

#### Foreign Investment Welcomed

This reporter asked Governor Huang to talk about concrete plans for speeding up the construction in Qinghai by using foreign capital and importing technology. He said: "Like the whole of the country, Qinghai Province will also resolutely carry out the open-door policy. During the period of the Qinghai provincial export commodities exhibition, held not long ago in Hong Kong, we offered a total of 24 business items to foreign and Hong Kong businessmen. Recently, businessmen from the United States, Europe, Australia, Hong Kong, and Macao have come to Qinghai one after another to make investigation, to hold business talks, and to discuss the problem of establishing joint-venture enterprises." For example, Mr Gong Jie [7895 2638], deputy managing director of Zhuang Ming [8369 2494] company of the United States, has expressed his intention of making an investment in Qinghai to establish a soda ash plant. We are now giving serious consideration to this."

Governor Huang said that visits to and on-the-spot investigation of Qinghai Province by overseas entrepreneurs and businessmen would be welcomed and that they can hold business talks on fields and items of common interest according to the principle of mutual benefit. He said: "As for method of investment, it can be joint-venture enterprises, compensation trade, or the granting of loans. Of course we prefer the method of joint-venture enterprises."

The provincial governor described Qinghai as "a land full of vitality," saying: So long as investment is made, profits will be achieved; so long as we make great efforts in exploitation, the economy will develop very rapidly.

#### SHAANXI NOTICE ON ADMINISTRATIVE READJUSTMENT

HK170333 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 16 Oct 83

[Excerpts] The provincial CPC Committee and People's Government issued a circular on 14 October on doing a good job in readjusting the administrative zoning of a number of prefectures, cities, and counties. The circular demanded that the provincial departments concerned and the prefectures, cities, counties, and districts concerned strengthen leadership and make all-round arrangements to ensure the smooth completion of the readjustment.

The circular said: With the approval of the State Council, a number of prefectures in Shaanxi will be changed into cities, and some administrative zones will be readjusted. This is a major reform aimed at bringing into full play the role of key cities in organizing production and circulation, strengthening mutual assistance between urban and rural areas, and promoting all-round development of socialist construction. The readjustment involves rather a large area, and there is a lot of work to do. In order to make a success of this work, the provincial CPC Committee and People's Government issued the following notice on relevant issues:

1. Strengthen leadership over the readjustment work. Under the leadership of the provincial CPC Committee and government, the provincial departments concerned must assign people to be specifically responsible for the work and to help the prefectures and cities concerned to do a good job in readjustment work. Principal responsible comrades of the prefectures, cities, counties, and districts concerned must personally make arrangements and organize special groups composed of effective cadres to carry out the readjustment work according to the regulations in a planned and measured way, on the basis of conducting ideological and political work.

2. It is necessary to get a tight grasp of handing and taking over and also to act with steady steps. In the first step, before 1 November, the prefectures and cities to be readjusted must discuss specific methods for changing as quickly as possible the subordinate relations of those counties and districts that have to be readjusted. Beginning on 1 November, the counties extracted from prefectures will come under the leadership of the relevant cities. In the second step, on the basis of consultations between the departments concerned in both parties to the readjustment, the prefectures and cities to be readjusted must hurry to carry out the measures for handing and taking over. The work of handing and taking over professional departments must be completed by yearend. In general, enterprises and other undertakings covered within the readjustment scope should accompany the counties and districts where they are located in coming under city leadership.

While carrying out the readjustment and the work of handing and taking over, it is strictly forbidden to seize the chance to transfer or insert cadres, staff, or workers, or to carry out a mass and sudden promotion of cadres. It is strictly forbidden to transfer or privately distribute public property and make indiscriminate use of state capital.

3. The work of planning, compiling statistics, and various items of professional work [words indistinct]. The counties and districts involved in readjustment [words indistinct]. The materials, commodities, investment and other target figures originally assigned for these counties and districts by the professional departments of the prefectures and cities remain valid, and supplies will continue along the originally designed channels. The profit and taxes to be turned over to the state by these counties and districts and the industrial and agricultural commodities they should deliver will be handled according to their original subordinate relations. Beginning on 1 January 1984, they will do their work according to the readjusted administrative zones.

4. Under the guidance and help of the provincial departments in charge, matters involved in handing and taking over will be dealt with through consultation between the prefectures and cities concerned.

5. The work of structural reform will be conducted by the cities to which the counties and districts have been transferred.

6. While readjusting the administrative zoning, it is necessary to get a serious grasp of industrial and agricultural production and all other work, ensure the regular process of production, construction, circulation, and distribution, and strive for all-round overfulfillment of this year's national economic plans.

#### XINJIANG ISSUES CIRCULAR ON RECTIFICATION

HK190803 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Oct 83

[Text] The regional CPC Committee issued a circular on 17 October calling on party committees throughout the region to conscientiously study the decision of the CPC Central Committee on party rectification.

The circular demanded that party committees at various levels and all party members immediately go into action and earnestly study and profoundly understand the decision of the CPC Central Committee on party rectification. The ideological understanding of the whole party must be unified with the guidance of this document to ensure the smooth progress of party rectification work.

The circular pointed out: The decision of the CPC Central Committee on party rectification adopted by the 2d Plenary Session of the 12th CPC Central Committee fully embodies the spirit of the 12th CPC National Congress and clearly defines the basic principle, tasks, policies, and methods for party rectification. It is a document of Marxism-Leninism-Mao Zedong Thought for guiding party building. Party and government organs at various levels, all enterprises and institutions, and factories, mines, and schools must use half a day of the party regular activities every week to organize party members to seriously study the decision of the CPC Central Committee on party rectification, sentence by sentence, and to profoundly understand its spirit linked with reality. According to the plan of the CPC Central Committee, the autonomous regional level, including all departments, commissions, offices, sections, and bureaus, constitutes the first batch of units to conduct party rectification. Therefore, party organizations of these units must pay close attention to the study of the document. Leading cadres, in particular, must study the document and make self-examination linked with their thinking and work. The problems that can be solved must be solved promptly. It is also necessary to earnestly arrange the study activity of other units and ordinary party members.

The circular said: The "Selected Works of Deng Xiaoping" is our ideological and theoretical weapon for carrying out party rectification. It is necessary to combine the study of Deng's works with the study of the decision.



The core groups and study classes in Deng's works conducted by all localities and units must also study the decision. It is also essential to study the following three books: the party member handbook, which will be compiled and published very soon by the CPC Central Committee; the concise edition of the important documents published since the 3d Plenary Session of the 11th CPC Central Committee; and Comrade Mao Zedong on party work style and party organizations.

The circular demanded that party schools at all levels regard the study of the decision of the CPC Central Committee on party rectification as an important course for training party cadres.

The circular finally emphasized that all party committees must deepen their understanding, strengthen leadership, and pay close attention to the study of the decision. Chief leaders of party committees and secretaries in charge of party affairs must personally take a hand in the work. It is necessary to place the study of the decision at the top of party committee work and to bring about effective results.

#### XINJIANG'S WANG ENMAO URGES YOUNG TO BE PIONEERS

HK170855 Beijing ZHONGGUO QINGNIAN BAO in Chinese 1 Oct 83 p 2

[Article by reporters Li Haiyan and Zeng Kun: "This Is an Undertaking of the Young People -- An Interview With Comrade Wang Enmao"]

[Text] In Urumqi, a city covered by the shade of white poplars and permeated with the fragrance of melons and fruit, we had an interview with Comrade Wang Enmao, first secretary of the Xinjiang Uygur Autonomous Regional CPC Committee.

As soon as Comrade Wang Enmao saw us, he said warmly: "I am glad to meet you, comrades from ZHONGGUO QINGNIAN BAO. The heavy task of developing Xinjiang will rest on the shoulders of the young. Your paper can talk to them about this!" When we explained to him that we came for the very purpose of asking him to talk about the relationship between youths and the development of Xinjiang, he laughed and said: "The development of Xinjiang is closely related to young people. Before liberation, Xinjiang's economic foundation was very poor. It would not produce any iron, steel, or rolled steel on its own, and it had no modern looms, railways, or asphalt roads. At that time, the electric generator in Urumqi had a capacity of only 300 kilowatts. When, in October 1949, the PLA marched into Xinjiang, it took them 3 months' walk to arrive at the heart of Xinjiang. In 1950, Comrade Wang Zhen called on the troops in Xinjiang to carry on the Nanniwan spirit and to take part in production in order to overcome financial and economic difficulties, to ease the burden on the people of various nationalities, and to develop Xinjiang. At that time, our fighters were all youths! It was winter when they marched into Xinjiang in thin clothes, but no one complained about the hardship. In order to ease the burden of the people of various nationalities in Xinjiang, they decided to reclaim land for cultivation. They had no farm animals and had to pull the plows and turn over the soil using animal labor. However, they did not complain. They were good youths and were the generation of youths who made contributions for the development of Xinjiang."

Next, Comrade Wang Enmao said: "During the past 30 years and more since liberation, youths of all the nationalities in Xinjiang, youths who have come to Xinjiang from Shanghai, youths who have come to Xinjiang from other provinces, municipalities, and regions, young intellectuals who have come to Xinjiang after graduating from higher education institutes, and youths who have come to Xinjiang after they were demobilized from the PLA have all been good youths."

"They have all devoted their youth to the construction of Xinjiang. It is precisely by relying on this contingent of fresh troops of young people that a sound foundation for Xinjiang's further development has been laid. However, they are now in their middle and old age. The task of continuing to develop Xinjiang has now fallen on the shoulders of the contemporary generation of youths and will fall on the shoulders of future generations also. Isn't this true in your opinion?"

Certainly, we agree with Comrade Wang Enmao's view. However, we asked him whether, since most youths at present cherish the ambition to become people of talents, there are any conflicts between this ambition and the task of developing Xinjiang.

Comrade Wang Enmao laughed and said: "The development and construction of Xinjiang is in itself a great school! Have batch after batch of fine cadres not grown up because of the training and steeling of hardship in the past 30 and more years? Have batch after batch of masters of various trades and professions not emerged in the process of striving to do their work well? We have more than 1.6 million square km of land in Xinjiang. We now have more than 47 million mu of farm land in addition, 100 million mu of reclaimable land. The area of grassland that can be exploited totals 700 million mu. We have rich resources of petroleum, coal, nonferrous metals, rare metals, and waterpower and we produce lots of wheat, cotton, rice, melons and fruit. Xinjiang is really big enough and rich enough in resources to be called a place vast in area and abundant in resources. The development of such an area really provides a great opportunity for people to perform magnificent deeds. Youths who foster the lofty aspiration to perform some deeds in the cause of socialist construction must go to such an area." Before he finished his talk on this topic, Comrade Wang Enmao added with particular emphasis: "What is the fun in having food ready for the table Go to the areas where the economy and culture is relatively backward at present but where there are fine prospects for future development. Strive to change the backward economy and culture there and open up a new prospect for socialist construction. This alone is worth people's admiration and respect. There is an incomparably bright future for Xinjiang's development and we can expect that this future will be a wonderful one. The fulfillment of the tremendous task of developing Xinjiang in the future must depend on the youth. I hope that the youth of the 1980's will inherit the glorious tradition of the older generations and make contributions to the development and construction of their motherland's border areas and to the economic prosperity, cultural development, and happiness of the people of various nationalities."

When he shook hands and bade us farewell, Comrade Wang Enmao time and again laughed and said loudly: "We rely, rely, and rely again on our youths' arduous pioneering work!"

FIRST DAY OF TALKS OVER HONG KONG ENDS IN BEIJING

HK190704 Hong Kong Domestic Service in English 0500 GMT 19 Oct 83

[Text] The first day of talks in the present session on the future of Hong Kong have ended in Beijing. The British delegation was led by the Ambassador to China, Sir Percy Cradock, and included the governor, Sir Edward Youde, and the political adviser, Mr Robin McLaren. The Chinese side is led by Deputy Foreign Minister Yao Guang. This report from (Helene Chung) in Beijing:

[Begin recording] Just before 0900, the British delegation was driven up in three black limousines to the old Hungarian legation, where the talks are being held, but which the Chinese now call simply No 3 guest house. The hungry press were inside, roped off on either side of the long rectangular table where the two seven-man delegations face each other. The Chinese, led by Deputy Foreign Minister Yao Guang, came in first, and indicated that a press statement is likely at the end of the two days of talks. When the British entered, they maintained a stoney silence and, during a brief photo session, despite smiles, there was barely any chit-chat between the two sides. There are unconfirmed reports that the British ambassador, Sir Percy Cradock, is presenting some new ideas contained in a letter from Mrs Thatcher. It is believed that the key issue for discussion is sovereignty over Hong Kong, but all we can be certain of is that both sides are keeping the confidentiality of the talks. [end recording]

'SOME PROGRESS' EXPECTED IN HONG KONG TALKS

HK190120 Hong Kong SOUTH CHINA MORNING POST in English 19 Oct 83 pp 1, 12

[Report by staff reporters]

[Text] Some progress is expected to be made in the fifth round of the Sino-British talks on Hong Kong's future which start today in Peking, according to reliable sources yesterday.

The atmosphere is expected to be much more cordial than on the previous two occasions where some of the utterances were so blunt that they were normally not anticipated at the negotiating table between friendly countries, the sources said.

While it will be too much to hope for any real "concessions" by either party, there is now a willingness to hear the other side's point of view, it was learned.

It was also understood that on the second day of the previous round of talks, last month, the atmosphere was so electric that there was some apprehension the negotiations could break down. But after a recess, both sides were a little more genial although the talks ended with no communique except an announcement that they would resume today.

Although officially both sides maintain the strictest confidence, certain recent activities and developments showed there is a willingness to keep the talks going, analysts said. The first notable sign was the cessation in the leftwing press in its war of words with any non-communist newspaper that champions an argument not palatable to the writers in these leftwing newspapers. Reliable sources said these writers have since been told not to initiate any "quarrel" with their "rivals" and that they only need to reply when the other side deliberately "picks up" the quarrel with them.



Other signs are more on the British and Hong Kong sides.

The London visit by the governor, Sir Edward Youde, and members of the Executive Council may be interpreted as an occasion for the prime minister, Mrs Margaret Thatcher, to reiterate Britain's determination to ensure the interests of the people of Hong Kong.

However, it may also be interpreted as an occasion for Mrs Thatcher to persuade the visitors to adopt a more flexible attitude.

If this were so, then this would certainly augur well, at least for this particular round of talks.

London reports have claimed that Britain is about to agree to China's sovereignty over Hong Kong after 1997 in exchange for some kind of British "presence" in the territory. No confirmation is available and only at the conference table will the Chinese side learn of any shift in Britain's position.

The clearest sign, to the Chinese perhaps, was the twin moves to check the dollar's decline, announced by the financial secretary, Sir John Bremridge, over the weekend -- a mere four days before the talks resume.

Sir John's announcement, to link the Hong Kong currency with the U.S. dollar and to abolish withholding tax on deposits, was viewed, at least by some quarters on the Chinese side, as an abrupt reversal of policy.

Just before he went to the United States for a monetary conference late last month, Sir John had said, in his half-yearly review on Hong Kong's economy, that the government did not intend to abolish withholding taxes before the end of the current financial year.

When the dollar was declining rapidly late last month, repeated calls by the Chinese for the government to do something -- intervention, as some leftwing newspapers suggested -- appeared to be futile.

However, the moment the government announced the moves on Saturday, the Bank of China reacted immediately by issuing a statement, carried by the NEW CHINA NEWS AGENCY, endorsing the moves, although they said they could have come earlier.

This theme was reiterated in the leftwing press, to varying degrees but generally favourably.

In the past three days, there has been mostly encouraging news. The only worrying message was given by Mr Huan Xiang and Mr Fu Hao, prominent diplomats who now serve as advisers to the Foreign Ministry. They warned, in an interview with a Chinese-language newspaper in Europe, that China would have to take over Hong Kong even before 1997 if its economy was on the verge of collapse.

That message, as many analysts noted, was given when the dollar was most unstable and published a few hours before Sir John's announcement on Saturday.

That warning, though well-meaning, now has little bearing to the situation, at least for the present, analysts said.

CONTINUATION OF MA HONG ARTICLE ON MODERNIZATION

## Part 3

HK140800 Hong Kong TA KUNG PAO in Chinese 10 Oct 83 p 3

[Article by Ma Hong: "Outlook for China's Modernization (part 3)" -- Parts 1 and 2 of this article were published in the 13 October China DAILY REPORT, pages W 1-4]

## [Text] The Development of Light Industry

For a certain period of time there existed in our country the trend toward one-sided emphasis on the development of heavy industry and an overemphasis on heavy industry serving new construction projects. We must avoid repeating such a mistake. But this in no way means that heavy industry is unimportant. In the future, focusing on the development of the production of consumer goods, we must insist on arranging for proportionate relations among various sectors of the national economy so that heavy industry will better serve agriculture and light industry, better serve the technical transformation of the national economy, better serve exports, and better serve the modernization of national defense. Now, the internal structure of heavy industry must be readjusted. Its development is also affected by many-sided restrictions and especially by such limiting factors as energy, communications, and so forth. From a long-term point of view heavy industry must still be developed with priority. Of course this is not to say that priority must be given to the development of heavy industry in any particular year under whatever circumstances. At present our country is still in transition from manual to mechanized labor. In the coming 20 years we must take up key construction projects. We must bring about the overall realization of the technical transformation of existing enterprises and must continue to improve the production conditions for agriculture and its technical aspects. This calls for quicker development of heavy industry than light industry, where conditions permit. In order to seek quicker development of light industry and a quicker pace in building residential housing urgently needed by the masses, there is also the need for priority development of heavy industry, as far as a given period of time is concerned. It is projected that the average annual rate of growth of our heavy industry in the coming 20 years will be around 8 percent. Light industry growth will be quicker than that of heavy industry in the first 10 years and that of heavy industry will be quicker than light industry in the next 10 years. In the whole 20 years, the growth of heavy industry will be slightly quicker than that of light industry.

## The Goal of Increasing the Gross National Product

Given the planned economy practiced in our country, we may, in light of national conditions, make rational arrangements for the relations among agriculture, light industry, and heavy industry and for their internal ties in order to bring about relatively coordinated development. Meanwhile, we may also make rational arrangements for the relations between them and other sectors of the national economy and establish a relatively rational industrial structure marked by increasing modernization. The 12th national party congress pointed out that taking the solution of the agricultural problem, the problem of energy and communications, and the problem of education and science as a strategic priority will ensure the increasing rationality of the industrial structure.

3. The gross national product and the output of major industrial and agricultural products will rank among the highest in the world.

China usually takes not gross national product but national income as a basis of calculation. But other countries in the world have universally used the former as a method for calculation. If applied to our country, the GNP for 1980 was roughly \$283.3 billion. In the same year, the GNP of the United States was \$2,582.5 billion; that of the Soviet Union, \$1,212 billion; Japan, \$1,152.9 billion; the Federal Republic of Germany, \$827.8 billion; France, \$627.7 billion; Britain, \$442.8 billion; and Italy, \$368.7 billion. Our country ranks eighth. At the end of the century, given the realization of the goal of quadrupling total industrial and agricultural output value, it is estimated that the GNP will be the equivalent of \$1,140 billion in current value. Our country is then likely to rank fifth, joining the front ranks of the world. In terms of GNP per capita, our country's rank in the world will rise from roughly 151st place now to 75th or so. Such a rank is still relatively backward. But as far as the economic strength of the whole country is concerned, it is a big improvement.

As far as output of major industrial and agricultural products is concerned, our grain output for 1980 ranked second in the world; cotton output, third; raw coal, third; steel output, fifth; generated energy, sixth; crude oil output, sixth; and cotton cloth and bicycle output, first. At the end of the century, it is estimated that grain can win first place in the world and cotton and meat also the first. Raw coal, steel, generated energy, crude oil, and so forth can rise one or two places in rank. First place can still be maintained for cotton cloth and bicycles.

#### Popularization of Advanced Technology

4. The advanced technology of the economically developed countries in the 1970's and the early 1980's will be popularized in our country.

To realize the great goal of quadrupling total annual industrial and agricultural output and to press forward to reach a still higher level, we must give full play to the tremendous role of science and technology. Meanwhile, the level of development of science and technology is also one of the important indicators of modernization. Therefore, the party and the government have decided that by the end of the century, the various sectors of our national economy will universally adopt the advanced techniques used by economically developed countries in the 1970's and the early 1980's that are applicable to our country and form technical systems with Chinese features. This is a general demand. Concretely speaking, such a demand can be divided into the following five aspects: 1) A large number of sectors, such as chemistry, machinery, electric power, coal, construction materials, metallurgy, and so forth, should, after efforts, reach the advanced levels of economically developed countries of the 1970's or the early 1980's. 2) In some fields, we must still strive to reach or approach the advanced levels of economically developed countries of the 1990's and even to the end of the century. For things like electronic products, appliances and instruments, textile products, petroleum products, new-type synthetic plastics, insecticides, and so forth, such a requirement must be set. In these fields we can act in accordance with the task, as far as the technical foundation and money available for investment are concerned. 3) Some of the techniques of economically developed countries are advanced but not suited for the conditions of our country. They need not be learned. 4) Some of the techniques of economically developed countries were already popularized there in the 1950's or the 1960's and even earlier, but they are still very important to our country and are greatly needed. They should be developed and popularized. For example, railroads in the United States in the early part of the century already covered several hundreds of thousands of kilometers. Development in our country must still be quickened. The same is also true of telephones. 5) In some fields where foreign countries still cannot provide advanced techniques that can be adopted by us, we must strive to create advanced techniques with Chinese features to meet our own actual needs.



### A Diversified Technical Structure

At the end of the century our technical structure will still be a diversified technical structure, with advanced techniques, techniques lying somewhere in-between, traditional handicraft skills, and many other techniques existing simultaneously. But as far as quality and quantity are concerned, there will be a great difference. At that time such technical levels as automation, semi-automation, mechanization, and semimechanization will be greatly raised, but large amounts of manual work will still exist.

To change the backward economic and technical features of our country we must concentrate forces on the proper handling of important construction projects and pay particular attention to construction efforts in regard to energy and communications. Meanwhile, we must energetically carry out technical transformation. In line with the demands of progress and with emphasis on improving the performance and quality of products and reducing the consumption of energy and raw materials, we must speed up the transformation of the existing 400,000 or so enterprises and especially the backbone ones in priority industries and priority cities. We must adopt in a planned manner new techniques, new technologies, new equipment, and new data. This is an important measure to improve economic results and realize the goal of quadrupling output.

### Part 4

HK140854 Hong Kong TA KUNG PAO in Chinese 11 Oct 83 p 3

[Article by Ma Hong: "Outlook for China's Modernization (part 4)"]

[Text] Master More New Technology

5. China has entered the world advanced ranks in view of some sophisticated technology.

At present, though our country's science and technology in the main lag far behind economically developed countries, this is not true in every sphere. In some spheres China has reached or nearly reached the world advanced level. For example, hybrid rice technology, biological nitrogen fixing technology, biological pest and plant disease prevention technology, and desert transformation technology in the agricultural field; technology in the medical field such as the prevention and treatment of schistosomiasis and acupuncture treatment and anesthesia; energy technology related to small hydroelectric power stations and methane-generating equipment; technology in the genetic engineering field such as the making of synthetic insulin and DNA technology; and the technology in the defense field related to nuclear bombs, rockets, missiles, and satellites. Now, we have clearly formulated the guiding principle that the development of a prosperous economy must rely on science and technology and science and technology must serve economic construction. Through the common efforts of the people all over our country, in the future we will surely master more new technology, particularly some sophisticated technology that marks the most advanced level of science and technology. As for space navigation technology such as landing on the moon and the interplanetary navigation, there is no need for us to be impatient to compete with advanced countries. However, in the fields of the technology vital to the development of our national economy, such as the technology related to electronic computers, optic fiber communications, and genetic engineering, we must strive to enter the front ranks of the world as soon as there are conditions for doing so.

6. The utilization ratio of resources and energy has markedly increased, the work of processing foreign goods has become markedly more intensive, and our export mix has greatly changed.

One of the major aspects of our country's economic and technological backwardness is shown in the low ratio of resource and energy utilization and the low intensiveness of processing. By the end of this century, resource utilization ratio will be markedly raised and effective energy utilization ratio will rise from about 30 percent at present to 50 percent at that time. At the same time, processing work will become markedly more intensive.

In the world at present, the proportion of mechanical and electric products produced for export in the total output value of a country's machine-building and electric engineering industries and the proportion of these products in the country's total export are thought to be an index for the level of the country's modernization. A country is regarded as not being qualified for being included in the ranks of modern countries if the mechanical and electric goods it exports account for less than 25 or 30 percent of the country's total exports. In 1981, our country's exports of mechanical and electric goods accounted for only 1.5 percent of the output value of our machine-building and electric engineering industry and less than 5 percent of our country's total exports. As our country continues to carry out its modernization program, by the end of this century we will greatly increase the percentages of our exports of mechanical and electric goods in the total output value of our mechanical and electric engineering industries and in our country's total exports.

#### Pay Attention to Developing Education

#### 7. Our people's cultural and educational level will be increased markedly.

In order to realize modernization, we must raise the cultural level of the whole nation. This is a mark that shows us what level of modernization has been attained as well as a basic measure for the realization of modernization. For a time in the past our country failed to attach sufficient importance to education. As a result, even now 7 percent of our school-age children are not provided with primary school education, 34 percent of the teenagers of the right age are not provided with junior middle school education, and 68 percent of the teenagers of the right age are not provided with senior middle school education. The number of students that our higher education institutes recruit every year is very small. Since the 3d Plenary Session of the 11th CPC Central Committee, through bringing order out of chaos, we have overcome the tendency to look down on education, have begun to pay attention to developing intellectual resources, and have put development of education and science and technology in an important position. At present, our country is striving to popularize junior middle school education and grasping the work of eliminating illiteracy. It is also making efforts to reform its middle school educational structure and to develop in a planned manner vocational and technical education. It adopts diverse forms to speed up the development of higher education. Besides strengthening its regular higher educational institutes, it has established a large number of TV universities, correspondence universities, spare-time universities, institutes for management cadres, and advance-study institutes for teachers. Moreover, we must formulate policies and adopt organizational measures to create conditions for and encourage people to become talented through self-study, to train young and middle-aged cadres rotationally in a planned manner, and to develop the ranks of experts in all fields. According to our estimate, by the year 2000 the educational level of people of working age will be greatly changed. The country will have eliminated all illiteracy and semi-illiteracy.

In our rural areas, primary school education will have been popularized and all laborers will have attained the educational level of senior primary school, while in our urban areas senior middle school education will be popularized and staff and workers will generally attain the educational level of junior middle school. The number of people who will have received senior middle school or higher educational levels will markedly increase throughout the country. By that time, we will have 15 to 20 million intellectuals who have received higher education. They will form a principal force for the realization of the modernization program.

#### People's Living Standard Will Improve and Become Comparatively Well-Off

8. People's living standard will improve and become comparatively well-off. The aim of socialist production and construction is to satisfy the demand of the material and cultural life of the people and to enable all our laboring people to lead an increasingly happy life. However, improvement of people's livelihood must be based on the development of production, and speed of improvement in people's livelihood must not exceed speed of development of production and speed of increase in labor productivity. Therefore, we will resolutely implement the principle of "first, we want food to feed ourselves and, second, we want construction" and gradually improve our people's livelihood on the basis of the development of production.

The 12th CPC Congress pointed out that if we attain the strategic goal for the coming 20 years, the income of our urban and rural people will increase by leaps and bounds and it will be entirely possible for our people's material and cultural life to become comparatively well-off. In 1980, the average consumption of the citizens in our country was 227 yuan, but according to our initial estimate, by the year 2000 it will rise to 616 yuan, being 271 percent of the 1980 figure, the average annual rate of increase being 5.1 percent. This is a fairly great rate of increase. True, by the end of this century the consumption level of our country's people will still be lower than many other countries. However, because ours is a socialist country where exploitation and the great disparity between rich and poor has been eliminated, where laborers are guaranteed employment, where prices of daily necessities for our people are low and stable, where people are charged cheap rent, water and power supply, and medical and recreational services, and where there is satisfactory collective welfare, by that time we will basically eliminate poverty, which still exists now in some areas, and will establish a consumption pattern with the following characteristics:

#### Four Characteristics of the Consumption Pattern

1. The people throughout the country will have enough food and clothing and lead an easy and happy life. An increasingly great amount of what Engels called "means of consumption and recreation and means that are needed to develop and display all physical and mental ability" will be supplied to the people. The average amount of materials and the various kinds of services enjoyed by our people will increase sharply.
2. There will be a marked change in the structure of consumption. At present, the major items needed for the consumption of our people and their order are roughly as follows: 1) food, 2) clothing, 3) housing, 4) articles of daily use, 5) transport facilities, 6) educational facilities, 7) medical services, and 8) recreation facilities. As people's income increases, the consumption structure will change. Particularly, the demand for educational facilities, medical services, and recreation facilities will increase as people's material living standard improves and the socialist spiritual civilization develops.



3. Consumption will be diversified. Because our country is characterized by a vast territory and a large number of nationalities, the level, structure, content, and pattern of our socialist consumption will be diversified.

4. People will lead a comfortable life but will not be extravagant in their spending. We will not only strive to practice thrift in our production, but will also strive to get the benefits worth the money we spend in our consumption. Some economically developed countries practice the idea of "high consumption and high waste." Excessive consumption of resources and social wealth cannot bring real happiness to the people there. We cannot adopt and must not adopt this pattern of consumption. We will strive to be able to relatively satisfactorily satisfy people's demand under the conditions that people do not earn a very high income. At the same time, we will continue to gradually increase people's income, improve their livelihood, and guide them in setting up a Chinese comparatively well-off pattern of socialist consumption. This pattern will further be developed into a more well-off pattern of socialist consumption in order to enable all our people to lead a happy and joyful life and in order to train communist new people.

#### Concluding Part

HK141008 Hong Kong TA KUNG PAO in Chinese 12 Oct 83 p 3

[Article by Ma Hong: "Outlook for China's Modernization (part 5)"]

9. The ecological environment will be markedly improved. Then, the problems of environmental pollution and ecological destruction in our country will be smoothed out to a certain degree. This will bring about a fairly clean and beautiful working and living environment for people in rural and urban areas, while the natural ecology is being gradually improved so that the people will be able to enjoy a higher level of material and cultural life.

#### Building Spiritual Civilization

10. The people's socialist and communist consciousness will be continuously raised. While working for a high level of material civilization, we must pay attention to building spiritual civilization. In some economically-developed capitalist countries, material civilization is indeed well developed, but just as a well-known Japanese economist says, "the capitalist system is destroying the natural environment on an unprecedentedly large scale and is devastating large plots of land," and moreover, it makes labor force a commodity, "shackles the dignity of laborers, and brings about immeasurable spiritual and cultural decadence to the people." However, under the socialist system and with the development of socialist spiritual civilization, which takes communist ideology as the core, the socialist and communist consciousness of laborers will be continuously raised and they will become a new generation of communists. They will become new-type laborers with ideals, morality, culture, and discipline who do both physical labor and mental work. They will also take physical work as a glorious and proud undertaking and take an active part in building the new society.

#### Stride Forward Toward New Starting Point

In view of the lessons drawn from the process of modernization in economically-developed capitalist countries, our country must make every effort to avoid, in the course of socialist modernization, the devastation of the atmosphere, water, and soil which is unavoidable in the course of capitalist modernization. And it will be completely possible for us to do away with all sorts of spiritual pollution which is a big problem

in capitalist countries. This is one of the important aspects characteristic of socialism with distinct Chinese features.

The above is only a blueprint of China's modernization in 2000. It is not concrete enough and the figures quoted above will be certified in practice. However, once we attain the goal, we will be able to start from a new point and strive for a higher level of modernization. The so-called higher level of modernization means that our country should in the main approach and catch up with the level of economically-developed countries in the world from the third decade to the fifth decade of the next century. By that time, the economic strength of our country will hold a lead in the world, some principal sciences and technologies will be in the front rank of the world, and the people's standard of living will be raised to the level of developed countries. Modernization is progressing. Surely, we will make bigger strides on the path of modernization by that time.

In an article written on 12 November 1956 in commemoration of the 90th birthday of Dr Sun Yat-sen, Comrade Mao Zedong pointed out: "Things are always progressing. From the 1911 revolution to now, only 45 years have passed, but the face of China has changed greatly. After another 45 years, we will enter the 21st century and the change in China will be even greater. By that time, China will become a powerful socialist industrial country. China should make greater contributions to mankind because it is a country with an area of 9.6 million square kilometers and a population of 600 million people." His prediction, which is based on science, has been proved true and will continue to be proved true.

#### Full of Confidence and Resolve

We have full confidence and are resolved that we shall succeed in our modernization. Any doubtful and pessimistic remarks are baseless. China will certainly be built into a powerful and prosperous modern socialist country with its own distinct features and towering like a giant in the world. In ancient times, our ancestors made well-known contributions to the world in both material and spiritual civilization. In the present age, the Chinese people will surely make outstanding contributions to the cause of human progress in the course of building socialist modernization.

#### WU XIUQUAN WRITES ON EARLY PRC-SFRY, USSR-SFRY RELATIONS

##### Establishing Relations With SFRY

HK061001 Hong Kong WEN WEI PO in Chinese 5 Oct 83 p 3

["Special Feature" by Wu Xiuquan: "Eight Years in the Foreign Ministry -- installment 17" -- note that other installments of this Part 3 of Wu's reminiscences will be published in the JPRS series "China Report: Political, Military and Sociological Affairs"]

#### [Text] Mascot in the Blockaded Area

When our jeep passed through an area in Sariwon blockaded by enemy airplanes, we saw vehicles destroyed by enemy airplanes lining both sides of the highway. Some of them were upside down, some were on their sides, some were burnt to skeletons, while some had been blown to pieces. We were shocked by the sight of the scattered, destroyed vehicles. We wanted to leave the place as soon as possible. Precisely at that moment the car broke down. The driver was so worried that sweat ran down his face. However, the car did not move even an inch. There were neither villages nor shops in the vicinity. We could not even find a single soul within a radius of several kilometers, not to mention anybody who could repair our car or sell us spare parts. The driver lifted the hood of

the car and examined the engine. He then told us in a disheartened mood that the fan had broken and that the car could not run unless it was replaced. How could we find a new fan at that disgusting place? At that moment we heard the drone of enemy airplanes from afar. We thought that if we were discovered and bombed by them, it would really be a great misfortune! We wanted to disperse and seek shelter. We were desperate. Suddenly the driver cried out excitedly. It turned out that he had found a jeep of the exact same model as ours and that nothing in that jeep, except the fan which our car needed, remained intact. Heaven never closes all the doors. We helped the driver remove the fan and install it in our car. We tried to start the car and found everything all right. It seemed that the fan had been specially waiting for us. So our car, with its load of passengers, smoothly moved ahead and left the area blockaded by airplanes far behind almost in no time. Afterwards, some people jokingly called me a "mascot" because all my life I could always turn bad luck into good. Perhaps I should thank the people and Marx for blessing me in heaven!

#### IV. On a Diplomatic Mission to Yugoslavia (May 1955-October 1958)

##### The Establishment of Sino-Yugoslav Relations

The Federal People's Republic of Yugoslavia (now known as the Socialist Federal Republic of Yugoslavia) was among the first countries which recognized our country. A few days after the founding of New China, on 5 October 1949, they sent a telegram to our government, expressing their willingness to establish diplomatic relations with our country. However, because the "Resolution Adopted by the Cominform on the Situation of the Communist Party of Yugoslavia" was passed in Europe in June 1948, Yugoslavia was expelled from among the fraternal communist parties and socialist countries by the nine European communist parties. Relations between Yugoslavia and the USSR and some Eastern European countries were at the breaking point. At that time, in order to act in political unison with the USSR and other countries, our government adopted an attitude which retained a certain leeway. We neither accepted nor rejected their proposal but shelved the issue of the establishment of diplomatic relations with Yugoslavia. Although we did not establish diplomatic relations at that time, Yugoslavia was always friendly to and supported our country. It resolutely favored the restoration of our legitimate seat in the United Nations. In international arenas such as the United Nations, it has more than once openly expressed its stand against foreign aggression in China and voted for motions favorable to our country. It admired very much our experience in using the gun barrel to start a revolution and the fact that we followed an independent path in our construction and did not mechanically imitate foreign ways. Despite the lack of profound understanding between both countries caused by the international situation at that time, friendship did exist between the people of both countries. The people of Yugoslavia relayed and sang praises for the Long March of the Chinese Workers and Peasants Red Army and the people of China admired the guerrilla warfare conducted by the people of Yugoslavia. All this constituted a solid basis for the establishment and development of a friendly relationship between China and Yugoslavia.

##### After Stalin's Death

After Stalin's death in 1953, in the USSR there was a tendency to "defrost" its domestic and foreign policies. This tendency eventually encroached on the frozen issue of the relations between the USSR and Yugoslavia. In June 1953, 3 months after Stalin's death, the USSR, on its own accord, sent a new ambassador to Yugoslavia, thus putting an end to the protracted tense relations between the USSR and Yugoslavia. In the fall of 1954, the CPSU Central Committee sent a representative of its Department of International Affairs to China to explain to our party their opinions on resuming and improving Soviet-Yugoslav relations and the course of action they had taken. Comrade Mao Zedong personally received the representative and I was the interpreter at the talks.



He said that the resolution adopted by the Cominform concerning Yugoslavia in 1948 was unjust and erroneous, that continuing to maintain tense relations with Yugoslavia would be harmful to the socialist camp, and that the CPSU hoped that all the fraternal countries would resume or establish normal relations with Yugoslavia. In order that all the fraternal parties could act in unison, he suggested that China take the same action and improve relations with Yugoslavia accordingly.

After the talks, Comrade Mao Zedong discussed the suggestion of the CPSU with Comrade Zhou Enlai and others. They found the suggestion reasonable and thought that we could accept it. In the early days of the founding of the country, although we did not agree to establish diplomatic relations with Yugoslavia, we did not flatly reject their proposal. The retention of certain leeway at that time did make things easier later in improving relations. After the Political Bureau had discussed the issue and with its approval, our government decided to establish diplomatic relations with Yugoslavia and informed it of this decision. Our attitude won immediate positive response from Yugoslavia. After making contacts, both sides agreed to establish diplomatic relations between the two countries. On 11 January 1955, a communique on the establishment of diplomatic relations between China and Yugoslavia was issued and telegrams from the foreign ministers of the two countries were published.

#### Premier Zhou Appoints an Ambassador

Once the establishment of relations had been decided, the question of who was to be the first ambassador to Yugoslavia loomed large. Premier Zhou, who was concurrently foreign minister, personally chaired a brief meeting at which he discussed the issue with the vice ministers and department heads of the Foreign Ministry. At the meeting the people present said that Yugoslavia was quite a peculiar country, that establishing ties with it carried complications, that the task for the ambassador was quite arduous, and that it would be quite difficult for the ambassador to fulfill his task well. At the meeting, no specific suggestion was made and there was as always silence. Later Premier Zhou asked me directly: "Comrade Wu Xiuquan, how about your serving as the ambassador?" To me, this was naturally an unexpected question for which I was not prepared. So I told Premier Zhou that I had to think about it. Premier Zhou said: "Good. You go home and think about it. Tell me your answer tomorrow."

After returning home, I considered Premier Zhou's proposal in earnest. I thought of two points: First, since I was doing diplomatic work, I should not stay in the country all my life but should go out to see things and accumulate practical experience and perceptual knowledge in this regard. The mission was a good opportunity. Second, since Yugoslavia was quite a peculiar country and the situation was complicated, the task was important. If the leadership considered me the appropriate person for the task, I should not hesitate or decline the appointment. Instead, I should bravely shoulder the responsibility and train myself through practical work. I decided to accept the task. The next day, I reported to Premier Zhou on the result of my pondering and told him that I was willing to work in Yugoslavia. Premier Zhou was very happy and encouragingly told me that he believed I could satisfactorily fulfill this task. The issue was thus settled. On 1 March 1955, our government announced Chairman Mao's decision to appoint me the first ambassador extraordinary and plenipotentiary to Yugoslavia. At the same time, the State Council relieved me of the post of vice foreign minister. On 10 March, Yugoslavia announced its decision to appoint Vladimir Popovic the first ambassador to China.

## 'Thaw' in PRC-SFRY Relations

HK070905 Hong Kong WEN WEI PO in Chinese 6 Oct 83 p 3

["Special Feature" by Wu Xiuquan: "Eight Years in the Foreign Ministry -- Installment 18"]

[Text] Sino-Yugoslav Relations Began To "Thaw"

From that time China and Yugoslavia formally began their friendly intercourse and diplomatic activities. In April 1955, Yugoslavia sent a trade union delegation headed by (Bakovic) to participate in China's labor day celebration activities. At the same time, the delegation planned to hold further talks with us on some specific issues concerning relations between the two countries. Comrade Deng Xiaoping represented our country in the talks. At that time, Sino-Yugoslav relations were still at the initial stage of a "thawing." We still did not understand each other well. Although each country cherished the desire to improve mutual relations, the attitude of each side in the talks was still rather serious. (Bakovic) explained in detail to us the situation in Yugoslavia and the position of the Yugoslav League of Communists.

In particular, he made an elaborate explanation on the background of the resolution made by the Information Bureau of the Communist and Workers' Parties in 1948. Because we really did not know the ins and outs of the matter at that time, we took (Bakovic's) words with some reservation. They also made a complaint against a map they saw in a park when attending our labor day activities. The map outlined the world situation by classifying Yugoslavia as part of the capitalist world and as a U.S. military base. We accepted their opinion and asked the department concerned to remove the map from the public place.

## Preparatory Work Before Going to New Post

After being appointed ambassador to Yugoslavia, I concentrated on selecting embassy personnel and on other preparatory work. First, I decided to recommend Comrade Zhou Qiuye to be the political counsellor. During the anti-Japanese war, Comrade Zhou Qiuye was my colleague in the Yanan headquarters of the 8th Route Army. In the early stage of the liberation war, we again worked together in northeast China. We knew each other well and had confidence in each other. Afterward, his wife, Comrade Zhang Yue, was also appointed a second secretary of the embassy. With the help of Comrade Zhou Qiuye, we decided on the naming of all other embassy personnel. As Comrade Zhou Qiuye took charge of other concrete preparatory work for establishing our embassy in Yugoslavia, I together with Comrade Xu He (Xu He is Wu Xiuquan's wife), went on a tour in southern China, because we wanted to learn about the general domestic situation before we went abroad. We first returned to my home in Wuhan to see my old mother and other relatives. Then, we went to Changsha and Shaoshan and visited Chairman Mao's former residence. The next leg of our trip was Guangzhou, a well-known city in the history of revolution. Before we returned to Beijing, we passed Hangzhou and Shanghai and took this opportunity to enjoy the brilliant scenery of the "paradise in man's world" and to buy some decent suits in Shanghai. In Shanghai we stayed in the Jinjiang Hotel. Comrade Yu Peiwen was then director of the Shanghai Municipal Department for Foreign Affairs. He sent a comrade who was familiar with Shanghai to accompany us in shopping at various famous stores. When we returned to Beijing the preparatory work for establishing the embassy had been largely completed. Comrade Zhou Qiuye left for Yugoslavia ahead of us in the name of the embassy's charge d'affaires on 13 April, and further directed the preparatory work in Belgrade.

### Tito Accepted the Credentials With Pleasure

At that time, the Soviet Union and other East European countries had restored diplomatic relations with Yugoslavia. Soviet-Yugoslav relations were rapidly developing. Khrushchev, who was in power then, wrote a letter to Tito, admitting that the previous attitude of the Soviet Union was erroneous. Tito replied that empty talk did not count, and the Soviet Union had to take concrete action to prove its sincerity. Therefore, Khrushchev decided to make a personal visit to Yugoslavia so as to step up his efforts to heal the rift between the two countries. Khrushchev's visit was set for 26 May. All ambassadors from the socialist countries which had restored diplomatic relations with Yugoslavia were to meet Khrushchev at the airport. I left Beijing on 24 May and arrived in Belgrade before Khrushchev's arrival. On the morning of the day of Khrushchev's arrival, I presented my credentials to President Tito. People on the scene included Counsellor Zhou Qiuye and Comrade Sun Qinghuai of the Chinese Embassy and Yugoslavia's Federal Secretary for Foreign Affairs Koca Popovic, the general secretary of the president's office, and the director of the protocol bureau. When making my address, I extended respect and greetings to President Tito and the Yugoslav people on behalf of the Chinese people and their state leaders. I also pledged that I would try my best to develop friendly relations between China and Yugoslavia during my ambassadorial tenure. In reply, President Tito said that he was very glad to accept my credentials and was deeply convinced that my appointment was of great significance to developing and consolidating Sino-Yugoslav relations and to international cooperation. As a matter of fact, Yugoslavia had long expected to establish friendly relations with our country. I myself also really wished to do my best to promote the development of relations between the two countries. Unexpectedly, our desire fell through again a few years later because of a sudden change in the situation.

On 26 May 1955, a Soviet delegation headed by Khrushchev and Bulganin arrived in Belgrade. This was not only the first important visit after the Soviet Union and Yugoslavia restored relations, but was also an extraordinary act in the history of Soviet-Yugoslav relations. Previously, the Soviet Communist Party was accustomed to requiring other people to go to Moscow to listen to their instructions. This time, the principal party and government leaders of the Soviet Union personally went to a small country which they had reviled for many years. What the Soviet leaders did looked like an act of "atonement for their wrongdoing" and making an apology. After presenting credentials to President Tito, I joined other ambassadors in participating in the welcoming ceremony at the airport that afternoon. In his arrival statement at the airport, Khrushchev publicly admitted that they "felt deeply sorry from the bottom of their hearts" for the things that had occurred in the past and "were determined to remove all grudges formed in that unhappy period." At that time he had not yet openly criticized Stalin, so he imputed the worsening of Soviet-Yugoslav relations to the "imperialists' proxy" and the "people's enemy" -- Beria and his ilk. He said: "The period that was shrouded in a dark shadow has passed." When Khrushchev was reading his prepared statement and casting flattering glances at President Tito, Tito appeared aloof and unmoved. He stood beside Khrushchev and listened to his statement quietly. He even did not deliver a welcoming speech as usual after Khrushchev finished his statement and simply asked Khrushchev to enter a car and leave the airport. Tito's haughty attitude showed that he did not care about what Khrushchev had said, but Khrushchev's humble behavior showed that he wanted to curry favor with Tito.

### Sino-Yugoslav Friendship Developed Like a Surging Tide

During its visit the Soviet delegation held a series of talks with the Yugoslav leaders. In the end, they signed a joint declaration ("the Belgrade declaration") on 2 June 1955. In this declaration the Soviet Union recognized that Yugoslavia was a socialist country.



The declaration also indicated that the two countries would take all necessary measures to establish normal relations and to develop cooperation in all fields. In the part dealing with foreign policies, the declaration stated that both countries supported China's sovereignty over Taiwan and supported the restoration of China's legal seat in the United Nations. On 3 June, the Soviet delegation held a grand return banquet to entertain Yugoslav leaders and diplomatic envoys to Yugoslavia. I was also invited to the banquet. We also watched the performances given by a Soviet song and dance troupe. On that occasion I was impressed with the warm atmosphere in relations between the Soviet Union and Yugoslavia, which had decided to let bygones be bygones and to renew friendly relations. Our party and government supported and welcomed this visit, regarding it as a significant event in international relations. Comrade Mao Zedong said: The talks between Soviet and Yugoslav leaders "contribute greatly to world peace and the cause of human progress." In February 1956, Tito was invited to make a return visit to the Soviet Union. During this visit the two sides restored their party-to-party relations and signed the "Moscow declaration" on Soviet-Yugoslav relations. This declaration advanced the basic principles guiding their bilateral relations.

It was precisely in this friendly atmosphere that we began our work in Yugoslavia with a desire to develop friendship. A few days after I took up the job of ambassador, on a day when the Soviet delegation was still in Yugoslavia, President Tito once again received me and had a cordial talk with me. I presented some gifts to President Tito on behalf of Chairman Mao Zedong. Tito was satisfied with me as an ambassador. In particular, while working as the Chinese ambassador to Yugoslavia, I was elected a member of the CPC Central Committee at the party's eighth national congress. He thought that this showed that our party's central authorities highly valued me, and thus also showed that our party highly valued relations with Yugoslavia. Therefore, my work in Yugoslavia was largely smooth and our relations with Yugoslavia were on good terms. When I left for Yugoslavia, the first Yugoslav ambassador to China, Vladimir Popovic, also arrived in Beijing. He paid an official call on Premier Zhou and presented his credentials to Chairman Mao. Both sides expressed appreciation and greetings to our newly established friendly relations and each other's achievements in its independent construction.

#### Stalin 'Went Too Far'

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["Special Feature" by Wu Xiuquan: "Eight Years in the Foreign Ministry -- installment 19"]

[Text] The Soviet Union Went Too Far

In the course of preparing the establishment of the Chinese Embassy in Yugoslavia, the Yugoslav Government offered us much help and many conveniences. They provided us with a nice three-story building as the embassy's office building. This building was originally the residence of some high-ranking Yugoslav officials. After Ambassador Popovic left for China, they converted Popovic's house into the Chinese ambassador's residence. Though the house was not too luxurious, it had all the necessary furnishings and was very comfortable and practical. Moreover, we did not have many people then. This house only accommodated my wife and me, and our driver and the comrades who took care of our daily life. Our embassy staff, including those working in the military attache's office and the commercial counsellor's office, totaled about 50 persons. Apart from Comrade Zhou Qiuye and me, the major members of the embassy included Military Attache Ding Ganru, Commercial Counsellor Li Zhuozhi, and Cultural Counsellor Lu Yaowu. In those days our relations with Yugoslavia were good. Therefore, all of us worked in a

good mood and cooperated among ourselves in perfect accord with the desire to make contributions to the development of Sino-Yugoslav relations.

Before leaving China, we had little knowledge of things in Yugoslavia, because there was little available reference materials in China. We had to acquire this knowledge through our on-the-spot investigations so as to learn the situation of the Yugoslavia party and state. This in fact was good for us, because we could be freed from any prejudice against Yugoslavia. Admittedly, the influence of the previous resolution adopted by the Cominform remained to a certain degree in our minds. At the same time, this also aroused our interest in discovering the truth. The Yugoslav comrades seemed to understand our feelings. Valhovic, then director of the Central International Liaison Department of the Yugoslav League of Communists, personally gave us detailed account of the Yugoslav party's history and its conflict with the Cominform. His eyes were brimming with tears when he described how the Soviet Union launched and organized a joint political attack against, and enforced a military and economic blockade of, Yugoslavia, which brought untold difficulties and sufferings to his country and people. He said: Being thrown into a helpless plight, Yugoslavia could do nothing but accept assistance from the United States and other capitalist countries. However, the erroneous resolution of the Cominform aroused the Yugoslav party and people to fight with one heart and one mind to resist the pressure and to overcome difficulties. When hearing this story, we also felt that Stalin had gone too far. We became more sympathetic with, and more respectful to the Yugoslav Communist Party and the Yugoslav people. Afterward, we confirmed that Vlahovic spoke the truth: Yugoslavia is a true socialist country, and the resolution adopted by the Cominform against Yugoslavia was completely wrong. According to the facts we had discovered in Yugoslavia, we wrote a number of reports to Beijing. It was said that these reports were praised by the authorities, who thought that the reports had substantial content and gave a good description of facts, so they were helpful to understanding things in Yugoslavia. The domestic leadership encouraged us to continue our investigations and studies, and was also prepared to circulate a notice of commendation for our work.

#### The Two Countries Exchanged Visits in a Steady Stream

After China and Yugoslavia established diplomatic relations, friendly intercourse between the two countries developed like a surging spring tide. Our country sent one delegation after another, both official and nongovernmental, to visit Yugoslavia. These delegations covered all fields, from political and economic delegations to cultural and sporting ones. The major ones included the NPC Standing Committee and the Beijing Municipal People's Committee delegation headed by Peng Zhen; the trade union delegation headed by Liu Ningyi; the military delegation headed by Deng Hua; the agriculture delegation headed by Liao Luyan; the trade delegation headed by Kong Yuan; the scientists' delegation headed by Yan Jici; and many other delegations and inspection groups. Yugoslavia also sent their delegations to China. A folk song and dance troupe visited China and gave performances throughout the country for 2 months. Accordingly, the Chinese performance troupe also brought the Beijing Opera featuring Du Jinfang and Zhang Yunxi and some other famous song and dance items to visit Yugoslavia and participated in Yugoslavia's activities in celebration of the 10th founding anniversary. The troupe's visit also lasted for 2 months.

During this period the two countries concluded a series of economic, trade, scientific, and cultural agreements. The press also carried continuous reports on the mutual visits of various delegations and on the political activities and construction achievements in both countries. Our embassy had to plan and arrange the visit and activities of each delegation. After an important delegation arrived, I had to personally receive and accompany the delegation. When Tito and other top Yugoslav

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leaders met with our delegations or attended the performance meetings and exhibitions given by Chinese organizations, I certainly had to be present. In January 1957, Tito met with the Chinese NPC Standing Committee and the Beijing Municipal People's delegation with Peng Zhen as its head and Li Jishen, Zhang Bojun, and Hu Ziang as its deputy heads. Then, Tito had a private talk with Comrade Peng Zhen for a long time. I was present throughout this meeting. The relevant personnel of the embassy and I were then invited to visit all federal republics and autonomous province of Yugoslavia, to visit their major industrial bases, places of historic interest in the revolution, and scenic spots. Yugoslav leaders (Kadel) and Rankovic invited my family and Comrade Zhou Qiuye's family to their homes for a family banquet on a number of occasions. Therefore, we could conduct informal conversations and friendly intercourse.



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